



BILLET D'ÉTAT

WEDNESDAY, 12th MARCH, 2008

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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 12th MARCH, 2008,** at 9.30am, to consider the items contained in this Billet d'État which have been submitted for debate by the Policy Council.

G. R. ROWLAND
Bailiff and Presiding Officer

The Royal Court House
Guernsey
22 February 2008

POLICY COUNCIL

EVIDENCE IN CIVIL PROCEEDINGS

Executive Summary

This report proposes the enactment of Guernsey and Alderney legislation in relation to evidence in civil proceedings in place of the Bailiwick legislation previously approved by the States of Guernsey and States of Alderney but rejected by the Chief Pleas of Sark. The present Projet de Loi is in the same terms as that previously approved, save that it will not apply to Sark.

Report

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

“On 31st May 2006, the States considered a Report of the Policy Council (Billet d’État No X at p 863), by which law reforms were proposed for and in relation to evidence in civil proceedings, which had remained largely unamended since 1865 when, by the Loi relative aux Preuves, our law of evidence in both civil and criminal proceedings was substantially amended and codified. The Report to which I have referred was further to resolutions of the States on a Policy Letter of the Advisory and Finance Committee (Billet d’État No VI of 2000 at p 323) primarily concerning legislation to facilitate e-commerce, in which a modification of the current rules of evidence was proposed.

The authorities in Alderney and Sark were consulted as to the application of the proposed legislation in those jurisdictions, which was entirely sensible given that the Loi relative aux Preuves 1865 was applied throughout the Bailiwick, and also because by two late 16th century Orders in Council, the customary civil law of Alderney and Sark was declared to be that of Guernsey (and this only subject to locally specific statutory or customary law in Alderney and Sark e.g. in Alderney, where the law of inheritance to real property as it related to the préciput was different, or in Sark, where the Letters Patent of 1611 erected fundamentally different rules relating to real property).

The authorities in both Islands confirmed that they had no objection to the legislation and that they were content to have the legislation applicable to their respective legislatures.

On 29th Nov 2007 the States of Deliberation approved the Projet de Loi entitled The Evidence in Civil Proceedings (Bailiwick of Guernsey) Law, 2007 which the States of Alderney approved on 9th January 2007. However, at their meeting on 16th January 2008 the Chief Pleas of Sark rejected the Projet de Loi by a substantial majority.

Accordingly, if the legislation is to proceed as respects Guernsey and Alderney, it will be necessary to lay an amended Projet de Loi before their respective legislatures removing references to its application to Sark. This legislation, whilst not necessarily urgent is undoubtedly important, and, has been long (upwards of seven years) in preparation. It should not unduly be further delayed, and Policy Council and the Alderney authorities may consider that it is not appropriate for it to be delayed pending further discussions with the Sark authorities.

Accordingly, I would suggest that the Policy Council, following further consultations with Alderney, should lay before the States a supplementary Report explaining the position together with a Projet de Loi to be entitled ‘The Evidence in Civil Proceedings (Guernsey and Alderney) Law, 2008’, which will apply only in Guernsey and Alderney, there being no changes to the policy of the legislation or its content except only in its redrafting to disapply it to Sark. I should add that I have explained the situation to the Chief Executive of the States of Alderney who will place the revised Projet de Loi before the States of Alderney at the earliest opportunity after its approval by the States of Guernsey.”.

HM Procureur has also advised that the Chief Pleas may enact their own legislation dealing with civil evidence. However, until they do so, the Court of the Seneschal will operate under the more restrictive rules of the 1865 Law.

The Policy Council concurs with the view expressed by HM Procureur. The Alderney authorities have advised that they wish the law in its revised form to apply to Alderney.

Recommendation

The Policy Council recommends the States

- (a) to note this report;
- (b) to approve the Projet de Loi entitled “The Evidence in Civil Proceedings (Guernsey and Alderney) Law, 2008” and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying Her Royal Sanction thereto.

M W Torode
Chief Minister

4th February 2008

(NB The Treasury and Resources Department has no comment on the proposals.)

The States are asked to decide:-

I.- Whether, after consideration of the Report dated 4th February, 2008, of the Policy Council, they are of the opinion:-

1. To note that Report.
2. To approve the Projet de Loi entitled “The Evidence in Civil Proceedings (Guernsey and Alderney) Law, 2008” and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying Her Royal Sanction thereto.

PROJET DE LOI

entitled

THE ROYAL COURT (REFORM) (GUERNSEY) LAW, 2008

The States are asked to decide:-

II.- Whether they are of the opinion to approve the Projet de Loi entitled “The Royal Court (Reform) (Guernsey) Law, 2008” 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 CHARITIES AND NON PROFIT ORGANISATIONS
(REGISTRATION) (GUERNSEY) LAW, 2008**

The States are asked to decide:-

III.- Whether they are of the opinion to approve the Projet de Loi entitled “The Charities and Non Profit Organisations (Registration) (Guernsey) Law, 2008” and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.

**THE LIVE-LINK EVIDENCE (BAILIWICK OF GUERNSEY)
ORDINANCE, 2008**

The States are asked to decide:-

IV.- Whether they are of the opinion to approve the draft Ordinance entitled “The Live-Link Evidence (Bailiwick of Guernsey) Ordinance, 2008” and to direct that the same shall have effect as an Ordinance of the States.

THE INSURANCE BUSINESS (BAILIWICK OF GUERNSEY) (AMENDMENT) ORDINANCE, 2008

The States are asked to decide:-

V.- Whether they are of the opinion to approve the draft Ordinance entitled “The Insurance Business (Bailiwick of Guernsey) (Amendment) Ordinance, 2008” and to direct that the same shall have effect as an Ordinance of the States.

THE INSURANCE MANAGERS AND INSURANCE INTERMEDIARIES (BAILIWICK OF GUERNSEY) (AMENDMENT) ORDINANCE, 2008

The States are asked to decide:-

VI.- Whether they are of the opinion to approve the draft Ordinance entitled “The Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) (Amendment) Ordinance, 2008” and to direct that the same shall have effect as an Ordinance of the States.

THE POLICE PROPERTY AND FORFEITURE (BAILIWICK OF GUERNSEY) LAW, 2006 (COMMENCEMENT) ORDINANCE, 2008

The States are asked to decide:-

VII.- Whether they are of the opinion to approve the draft Ordinance entitled “The Police Property and Forfeiture (Bailiwick of Guernsey) Law, 2006 (Commencement) Ordinance, 2008” and to direct that the same shall have effect as an Ordinance of the States.

PROJET DE LOI

entitled

THE MAGISTRATE’S COURT (GUERNSEY) LAW, 2008

The States are asked to decide:-

VIII.- Whether they are of the opinion to approve the Projet de Loi entitled “The Magistrate’s Court (Guernsey) Law, 2008” and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.

POLICY COUNCIL

LEGISLATION - THE ANIMAL WELFARE (ENABLING PROVISIONS) (GUERNSEY) LAW, ETC,

Executive Summary

This report proposes that three Projets de Loi, which are currently awaiting the Sanction of Her Majesty in Council, should be resubmitted with a revised definition of "enactment" together with minor consequential changes to the text.

Report

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

"I write with reference to the following Projets de Loi which are currently awaiting the Sanction of Her Majesty in Council -

- (1) the Animal Welfare (Enabling Provisions) (Guernsey) Law, 2006 ("the Animal Welfare Law"),*
- (2) the Competition and Trading Standards (Enabling Provisions) (Guernsey) Law, 2007 ("the Competition Law"), and*
- (3) the Road Traffic (Parking Fees and Charges) (Enabling Provisions) (Guernsey) Law, 2007 ("the Parking Fees Law").*

These three Projets were approved by the States on, respectively, the 27th September, 2006, the 31st January, 2007 and the 25th April, 2007. They were submitted for Royal Sanction through official channels by letters to His Excellency dated, respectively, the 24th October, 2006, the 26th February, 2007 and the 24th May, 2007.

Each of these Projets is an enabling Law empowering the States, by Ordinance, to make detailed provision in respect of the subject areas covered by it.

When the States enact the necessary Ordinances under these Laws, it may – probably will - be necessary to amend, update or replace existing Guernsey legislation already in force which contains provision relating to those subject areas. This would occur where, for example, an earlier enactment contained provision which was obsolete or inadequate.

Therefore each of the three Laws provides that the Ordinances made under them may repeal, replace, amend, extend, adapt, modify or disapply any "enactment", but only to the extent that that enactment has force of law in Guernsey. A

Guernsey Ordinance could not therefore disapply, etc, an enactment which had force, for example, in Alderney.

The expression "enactment" is defined in the Animal Welfare Law and Competition Law as follows -

***"enactment"** means any Law, Ordinance, Act of Parliament, Order in Council, regulation, order, rule of court or other legislative instrument having effect in Guernsey, and includes any provision of this Law.*

The expression "enactment" is similarly defined in the Parking Fees Law, but with the addition of the underlined words as shown below -

***"enactment"** means any Law, Ordinance, Act of Parliament, Order in Council, regulation, order, rule of court or other legislative instrument having effect in Guernsey, and includes any provision of this Law and any provision or portion of a Law, Ordinance, Act of Parliament, Order in Council, regulation, order, rule of court or other legislative instrument.*

The underlined addition does not affect the substance of the definition.

These are essentially 'template' ie standard form definitions, which have been used for some time in the drafting of Guernsey Laws. The inclusion of the words "Act of Parliament" was to take account of the situation where in any particular case the States wished to make local legislative provision where an Act of Parliament covering the same matter applied in Guernsey. In that event, it would be necessary to disapply the provisions of that Act from Guernsey to the extent that it was to be superseded by Guernsey legislation.

This situation does arise very occasionally. For example, the Merchant Shipping (Bailiwick of Guernsey) Law, 2002 contains powers to disapply the provisions of the Merchant Shipping Act 1894 (and other outdated Merchant Shipping Acts) which had applied to the Bailiwick for over a century but which had long ceased to have force of law in the United Kingdom.

Similarly, the Intellectual Property (Enabling Provisions) (Bailiwick of Guernsey) Law, 2004 enabled the States, when they enacted the Copyright (Bailiwick of Guernsey) Ordinance, 2005, to disapply the provisions of the Copyright Act 1911 which, subject to certain transitional provisions, had ceased to have force of law in the United Kingdom in 1956.

However, it has become apparent that the reference to an "Act of Parliament" contained in the definitions provisions of each of the three Laws, together with the power by Ordinance to amend or repeal such an enactment, might on a literal construction of the wording give the States of Deliberation power to amend or repeal an Act of Parliament, despite the intended limitation merely to

disapply the Act of Parliament in circumstances in which it was being replaced by Guernsey legislation.

A cautious approach should be followed in respect of the construction of the provisions in question, given that they refer to United Kingdom legislation.

Accordingly, constructive and amicable discussions have taken place with the Ministry of Justice to find a pragmatic way to progress the three Projets, given that they have already received States approval, and, subject to the approval of the States, it has been agreed that a sensible way of proceeding would be for them to resubmitted to the States of Deliberation with references to an "Act of Parliament" removed from the definition of "enactment".

This would not detract from the prospective efficacy of the Laws because there are, as far as I know, no Acts of Parliament relating to the matters covered by these three Laws which the States would wish to disapply.

I therefore recommend as follows.

1. *In each of the three Laws the definition of "enactment" would be replaced by the following definition -*

***"enactment"** means any Law, Ordinance or subordinate legislation.*

In addition, and in consequence, there would be inserted in each Law the following definition -

***"subordinate legislation"** means any regulation, rule, order, rule of court, resolution, scheme, byelaw or other instrument made under any enactment and having legislative effect.*

The foregoing wording is intended to provide the template ordinarily to be used in drafting such legislation.

Each Law would also contain all minor textual modifications consequential upon an Act of Parliament ceasing to be an "enactment" for the purposes of the Law.

2. *The States should be asked to rescind the following resolutions -*

- (a) *the resolution of the 27th September, 2006 (on Article II of Billet d'État No. XVI of 2006) "to approve the Projet de Loi entitled "The Animal Welfare (Enabling Provisions) (Guernsey) Law, 2006" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for her Royal Sanction thereto",*

- (b) *the resolution of the 31st January, 2007 (on article I of Billet d'État No. III of 2007) "to approve the Projet de Loi entitled "The Competition and Trading Standards (Enabling Provisions) (Guernsey) Law, 2007" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto", and*
 - (c) *the resolution of the 25th April, 2007 (on Article I of Billet d'État No. XIII of 2007) "to approve the Projet de Loi entitled "The Road Traffic (Parking Fees and Charges) (Enabling Provisions) (Guernsey) Law, 2007" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto".*
3. *The States should be asked to resolve to approve the Projets de Loi entitled -*
- (a) *"The Animal Welfare (Enabling Provisions) (Guernsey) Law, 2008",*
 - (b) *"The Competition and Trading Standards (Enabling Provisions) (Guernsey) Law, 2008", and*
 - (c) *"The Road Traffic (Parking Fees and Charges) (Enabling Provisions) (Guernsey) Law, 2008",*
- and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto."*

The Policy Council has consulted with the Environment and Commerce and Employment Departments as the sponsoring departments for these three Laws who raise no objection, the former pointing out that it is inconceivable that any Act of Parliament could bear upon issues relating to parking fees and charges in Guernsey and the latter commenting that they were presently unaware of any mainland primary legislation which would be sought to be disappplied in respect of the matters intended to be the subject of Ordinances under the Animal Welfare and Competition Laws. Hence the reference to United Kingdom Acts of Parliament would appear to be unnecessary.

The Policy Council concurs with the view expressed by HM Procureur and considers that that the revised legislation must be dealt with expeditiously.

The Policy Council would remind the States that they have already considered and approved the policies behind these three Laws, and that the only substantive issue to be decided by the States is the removal of references to Acts of Parliament.

The Presiding Officer has kindly agreed to the revised Projets being included in the same Billet D'État as this report.

Recommendations

The Policy Council recommends the States

1. to note the contents of the Report;
2.
 - (1) to rescind their resolution of the 27th September, 2006 (on Article II of Billet d'État No. XVI of 2006) "to approve the Projet de Loi entitled "The Animal Welfare (Enabling Provisions) (Guernsey) Law, 2006" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for her Royal Sanction thereto"
 - (2) to approve the Projet de Loi entitled "The Animal Welfare (Enabling Provisions) (Guernsey) Law, 2008" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.
3.
 - (1) to rescind their resolution of the 31st January, 2007 (on article I of Billet d'État No. III of 2007) "to approve the Projet de Loi entitled "The Competition and Trading Standards (Enabling Provisions) (Guernsey) Law, 2007" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for her Royal Sanction thereto"
 - (2) to approve the Projet de Loi entitled "The Competition and Trading Standards (Enabling Provisions) (Guernsey) Law, 2008" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.
4.
 - (1) to rescind their resolution of the 25th April, 2007 (on Article I of Billet d'État No. XIII of 2007) "to approve the Projet de Loi entitled "The Road Traffic (Parking Fees and Charges) (Enabling Provisions) (Guernsey) Law, 2007" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto."
 - (2) to approve the Projet de Loi entitled "The Road Traffic (Parking Fees and Charges) (Enabling Provisions) (Guernsey) Law, 2008" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.

M W Torode
Chief Minister

8th February 2008

(NB The Treasury and Resources Department has no comment on the proposals.)

The States are asked to decide:-

IX.- Whether, after consideration of the Report dated 8th February, 2008, of the Policy Council, they are of the opinion:-

1. To note that Report.
2.
 - (1) To rescind their resolution of the 27th September, 2006 (on Article II of Billet d'État No. XVI of 2006) "to approve the Projet de Loi entitled "The Animal Welfare (Enabling Provisions) (Guernsey) Law, 2006" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for her Royal Sanction thereto";
 - (2) To approve the Projet de Loi entitled "The Animal Welfare (Enabling Provisions) (Guernsey) Law, 2008" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.
3.
 - (1) To rescind their resolution of the 31st January, 2007 (on article I of Billet d'État No. III of 2007) "to approve the Projet de Loi entitled "The Competition and Trading Standards (Enabling Provisions) (Guernsey) Law, 2007" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for her Royal Sanction thereto";
 - (2) To approve the Projet de Loi entitled "The Competition and Trading Standards (Enabling Provisions) (Guernsey) Law, 2008" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.
4.
 - (1) To rescind their resolution of the 25th April, 2007 (on Article I of Billet d'État No. XIII of 2007) "to approve the Projet de Loi entitled "The Road Traffic (Parking Fees and Charges) (Enabling Provisions) (Guernsey) Law, 2007" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto";.
 - (2) To approve the Projet de Loi entitled "The Road Traffic (Parking Fees and Charges) (Enabling Provisions) (Guernsey) Law, 2008" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.

POLICY COUNCIL

GOVERNMENT BUSINESS PLAN – PREPARING FOR THE NEW STATES TERM 2008-2012

1. EXECUTIVE SUMMARY

This report provides the States with a brief progress report on the Government Business Plan and prepares the ground so that the incoming States assembly will be better equipped to develop and implement the plan during the 2008-2012 term.

The Policy Council explains how a fuller and better balanced organisational structure would help to resolve concerns expressed by States Members and how it would support a five phase approach towards corporate planning. This should enable the States to make much better informed decisions in future about the prioritisation of public resources.

To assist the delivery of the GBP, the report recommends some complementary changes to the mandates of the Policy Council and States Departments which would strengthen the links between corporate and departmental working.

The report also describes the way in which it is proposed to monitor the efficient implementation of the GBP and how to measure its effectiveness in achieving stated objectives.

Finally, the Policy Council identifies two key challenges facing the new States assembly in taking the GBP forward:

- it must provide strategic leadership whilst continuing to maintain support amongst States members as a whole
- it must integrate financial planning and resource prioritisation within the overall plan.

2. INTRODUCTION

In July and September 2007, the States approved the present Government Business Plan, including the majority of the action plans necessary to pursue the political priorities, which were previously endorsed by the States in December 2006. The GBP report emphasised, however, that it would continue to be *“a challenge for all of us, politicians and public servants alike, to keep the momentum going, thus ensuring that the GBP has the ownership, focus and corporate commitment to deliver what it promises”*.

The Policy Council’s Government Business Plan Team listened attentively to the July and September debates, taking note of States Members’ responses to the plan. The

Team also reflected on meetings with groups of States Members, during May 2007, about the further development of the planning process and have since had another set of meetings with States Members during November and early December 2007.

A number of issues emerged from listening to States Members as well as from feedback received via States Departments:

- A balanced approach

Some Members were concerned that the GBP appeared to be too focused on economic matters, with too little attention paid to the environment, in particular, but also to social policy. This concern led to the States agreement to investigate a fifteenth priority in relation to the natural environment.

- Corporate versus departmental priorities

Some Members and Chief Officers wanted clearer guidance about managing the relationship between the new corporate priority action plans and the service priorities developed within departments. There was also a feeling that some priorities 'lacked a home' in terms of the way that government is organised, whereas others were firmly related to a departmental mandate or to that of an existing policy group. There was some misunderstanding generally about the effective handling of the action plans.

- Relationship between policy planning and financial planning

The absence of costing within the GBP was generally recognised as a crucial gap, which must be filled for the GBP to become the central 'driver' of government action. Without the integration of financial planning, the GBP was seen as merely aspirational.

- Monitoring and Measuring

Monitoring the implementation of the GBP and measuring its effects were also seen as vital to its credibility as a plan for which the States can be held accountable.

The Purpose of this report

This report has two main purposes:

1. To explain the Policy Council's proposals to improve the structure of the GBP and the way it operates taking on board States Members' concerns; and
2. To enable the GBP process to make a smooth transition from the present States assembly to the new assembly in May 2008.

In addition, however, the report also provides an opportunity to highlight, very briefly, some of the more significant actions that have been taken since the GBP was approved in July/September 2007.

3. STATES PRIORITIES – PROGRESS UPDATE

The introduction of a formal process to monitor and measure action taken via the GBP is considered in detail later in this report. At the time of writing (January 2008), insufficient time has elapsed since the July/September debates to justify a review of progress with each of the Priority Action Plan Leads or, in purely practical terms, to carry out such a review.

In the case of each States Priority, however, significant steps have been taken and examples are provided below as an indication of work in progress.

Priority 1 – Assert Guernsey’s independent identity.

Level 1

To assert and develop Guernsey’s independent right to self-government, in a responsible and determined way. The States will reinforce this strong sense of local identity both internally and externally, through policies designed to promote and respect the island’s distinctive local culture and traditions and its independent mindedness.

Following the States Member seminar in April 2007 a new team has now been established, under the Chairmanship of H M Procureur, to consider constitutional issues and to bring forward recommendations for action to the External Relations Group and Policy Council.

Priority 2 – Plan for sustainable economic growth.

Level 1

To develop, adopt and promote policies which maintain a vibrant and sustainable economy which generates corporate profits, offers well-paid job opportunities and makes a positive contribution to the continued prosperity of the island.

Priority 2 is concerned with Fiscal Policy and Economic Balance (minimising the fragility of the Island’s economy). In terms of fiscal matters, a great deal of progress has been made during 2007/8 to agree and implement the Economic and Taxation Strategy.

The creation of the Strategic Economic Plan now provides a more formal framework for achieving the economic development objectives of Priority 2 and the plan will be further developed as a permanent element within the GBP from now onwards. In effect, the Priority 2 Action Plan workstreams to support sustainable economic growth have ‘migrated’ into the new plan format.

The development of a similar approach towards social and environmental policy planning is described later in this report.

Priority 3 – Contain public finances and maintain economic growth.

Level 1

To increase revenue income by 3% above RPI and contain expenditure to RPI or less. Invest £20m per year in capital expenditure and implement the States capital Prioritisation and Rationalisation Programme. In order to do this, the Capital Reserve will be effectively depleted and up to half of the Contingency Reserve may be utilised as a short-term measure to fund any deficit.

The current States budget has been developed in accordance with Priority 3 and it stands as an expression of shared commitment, although it is acknowledged that decisions have been taken in the States on individual projects which run counter to its constraints.

In the next term, the States will need to examine its resolve to maintain a strong corporate stance on public spending as a keystone of fiscal policy.

Priority 4 – Redistribute wealth wisely in the community.

Level 1

To consolidate and develop policies to help and empower those on low incomes and vulnerable members of the community to share in the advantages of a largely prosperous economy.

The States Member ‘workshop’ session on 23rd November 2007 was very well attended by Deputies, NGO representatives and senior civil servants and provided an opportunity for all concerned to get a better appreciation of the complex issues involved in tackling Priority 4.

All attendees received written feedback after the workshop, including a list of actions arising such as the development of a Social Plan, as explained later in this report.

Priority 5 – Control and monitor population growth.

Level 1

To adopt policies consistent with maintaining Guernsey’s population at approximately its current level

A politically-led review group – the Labour Utilisation Strategy Group – has been established to complement the work of the Demographics Policy Group, by establishing priorities for the future use of labour in the Island.

This work will also involve a review of relevant workstreams in the Government Business Plan (including the Strategic Economic Plan), and framing recommendations on the appropriate legislative and administrative arrangements necessary to support the implementation of a Labour Utilisation Strategy/ Employment Strategy.

The creation of the new group recognises the importance of ensuring that States population policy is part of an integrated approach to policymaking, so that government objectives are consistent with each other.

Priority 6 – Determine Waste Management Strategies.

Level 1

To enable progress to be made in the management of Guernsey's waste, the States will debate and determine strategies for both solid and liquid waste.

Solid Waste

The States considered an Environment Department States Report on Solid Waste Disposal in January 2007 and agreed, at that time, to commit to a high level of recycling for household and commercial waste, whilst also seeking competitive tenders for the design, build and operation of either a Mass Burn Energy from Waste facility or a Mechanical Biological Treatment Plant, coupled with an Energy from Waste facility.

In November 2007, the States agreed to endorse the level for Waste Arisings and the target for recycling as set out in the previous September report. It was also agreed to adopt 45,000 tonnes per annum as a lower design plant capacity and 70,000 tonnes per annum as an upper capacity of the Waste Treatment Plant.

Liquid Waste

Major reports on sewerage and wastewater treatment were considered by the States in October 2007, when it was decided to fund the Bellegreve Wastewater Disposal Facility Interim Works; to agree, in principle, to the introduction of Wastewater Charges; and to allocate priority, within the limited financial resources available, for wastewater services to sustaining and developing the existing sewerage network.

Work on the implementation of the Waste Disposal Plan continues.

Priority 7 – Take firm action against crime and the causes and effects of crime.

Level 1

To promote and support policies which keep the Bailiwick a safe and secure place to live. This means taking firm action against crime and tackling the situations which give rise to criminal behaviour through strategies to tackle drug and alcohol abuse and social problems in the community.

The Home Department has developed the Priority Action Plan at Level 4 into a more detailed schedule which itemises the particular tasks being undertaken and the timescale for implementing them.

This work provides a positive example of the way in which the political and corporate direction set at Levels 1, 2 and 3 can be translated into action ‘on the ground’ at Level 4.

Priority 8 – Provide best value healthcare for the community.

Level 1

To pursue a strategy for health and social services which promotes the attainment and maintenance of optimum health and which supports and safeguards the vulnerable members of the community. This requires the direction of resources to those areas which provide the best return on investments.

In accordance with the Level 1 emphasis on obtaining the best return for investment in health services, the Health & Social Services Department held a ‘workshop’ session for all States Members and some senior civil servants in September 2007. The purpose of the workshop was to explain briefly the financial pressures on the department and to consider what health spending priorities should be for the future.

As with the Priority 4 workshop which followed, the attendees received written feedback on the outcome of the workshop.

Priority 9 – Maximise the return on investment in education provision.

Level 1

To consolidate and develop best value policies for education and lifelong learning which promote equality of educational opportunity and which are directed to ensure the best quality of education is obtained for the individual and for the community as a whole.

Progress with priority 9, which like the priority for healthcare is very broad in scope, in effect incorporating the Education Department’s operational plan, will follow the current review of the management of the education service.

Priority 10 – Meet energy needs more efficiently and sustainably.

Level 1

To adopt policies which ensure a diverse and robust supply of energy sufficient for Guernsey’s needs while also improving energy efficiency both to minimise the need to import energy and to reduce the island’s carbon footprint.

At the time of writing, the public is being consulted about the Policy Council’s Energy Policy Report, which makes recommendations in relation to overall energy use and energy wastage; security of supply and the use of renewable energy sources.

A further report, taking account of comments received, will be presented to the States as soon as possible this year.

This is an important report, which breaks new ground in providing a broad analysis of the energy issues facing Guernsey. It was explained in the last GBP report, that the Level 3 and 4 tiers of Priority 10 would follow the States debate on the Energy Policy Report. As explained later in this report, however, it is now proposed that energy policy be given a new status in a revised GBP structure including the development of an Energy Use Strategy.

Priority 11 – Investigate the impact of climate change.

Level 1

To investigate the potential local impact of climate change on seawater levels, atmospheric temperature, precipitation, wind and extreme weather events.

The Environment Department published its first public consultation document in relation to coastal defence in October 2007 as part of the process of assessing the likely impact of climate change in Guernsey.

The department notes that Guernsey's coastal defences are generally in good condition and can be maintained without the need for urgent action but recommends further detailed studies as a basis for the preparation of a long term strategy.

Priorities 12, 13 and 14, the 'Delivery Priorities' within the GBP are all concerned with the implementation of the plan rather than with particular topics/services: *how* government operates rather than *what* it does.

The importance of effective delivery, its place in the overall structure of the GBP and updates on progress with the three Delivery Priorities are covered in Section 5 of this report.

Additional Priority (15) – The development of a States Priority Action Plan to address environmental issues.

During the July/September 2007 debate on the GBP, the States supported the following amendment:

“To direct the States Environment Department to investigate the merits and implications of adopting an additional States Priority to protect and enhance the environment, biodiversity and the countryside, along the lines set out at Level 1 in the Appendix to this Proposition; and, if considered appropriate following such investigation, to liaise with the Policy Council with a view to adding such a priority, expanded into Levels 2 and 3 (and possibly 4), to the Government Business Plan.

Appendix to Proposition 1 (15)

Priority 15 – Protect and Enhance the Environment, Biodiversity and the Countryside

Level 1

To ensure the protection and enhancement of the environment and the richness and variety of wildlife and habitat that comprise the island’s biodiversity including the wider countryside, natural landscapes and the coastal and marine environment.”

The Environment Department has since produced a draft action plan in accordance with this Resolution and has asked that it be approved by the States for inclusion in the GBP (see **Appendix A**).

The Policy Council is happy to recommend the adoption of this Priority 15 action plan for inclusion in the GBP. Eventually, this plan will form part of the Environmental Plan to be developed as part of the new GBP structure.

Appendix B, which is attached for information only, has been provided by the Environment Department as an early indication of matters that may be addressed through an Environmental Plan, although it is recognised that a great deal of further work will need to be done (via a new corporate policy group) before a plan can be presented to the States for adoption.

4. BETTER CORPORATE PLANNING FOR GOVERNMENT BUSINESS

Developing and Balancing the GBP structure

The issues raised by States Members at the time of the Government Business Plan debate/s and summarised in the introduction to this report, prompted the GBP Team to think again about the overall process of strategic and corporate planning. In this context, the word ‘strategic’ should be taken to mean the way the States looks ahead into the medium-term (5-10 years) and, sometimes, long-term (10-25 years) future to guide the direction of government policy.

The Team concluded that, by further developing the structure of the GBP, it would be possible to take on board States Members’ concerns and produce a better process for all elements of government to work together.

The proposed new structure, which has been endorsed by the Policy Council as a whole, involves the creation of new corporate plans in the following areas:

- An Environmental Plan;
- A Social Policy Plan; and
- A plan for ‘Government Infrastructure’ which will deal with the way in which government is organised to meet changing circumstances and public/customer

expectations over time. In effect, the group responsible for the plan will keep the ‘machinery’ of government under continuous review to ensure that it is responsive to change.

- A strategy for Population/Employment to sit alongside existing strategies for Land Use, Energy Use and Water & Stone resources.

By developing these additional plans, the GBP framework becomes a comprehensive structure through which every States Priority can be taken forward. Moreover, as each successive States assembly modifies the political priorities of its predecessor, introducing new objectives and, perhaps, ‘dropping’ others, the GBP will be able to respond because a route is now being provided to enable changes to be made in every aspect of government activity.

A Five Phase Process for Corporate Planning and Resource prioritisation.

The proposed new structure of the GBP is shown in the attached diagram (coloured **Appendix 1**).

It provides the foundation for a five phase process of corporate planning which will enable the States to make much better informed decisions about the prioritised allocation of its resources. The five phases are:

Phase 1. Political Consensus – the process of formulating a set of shared priorities amongst the 47 States Members at the start of each States term, which can then be reviewed and modified during the life of the assembly.

Phase 2. Strategic Planning – the development of corporate and interdepartmental policy as informed by those agreed political priorities.

In future, policymaking at this level will reflect the consensus amongst all States Members by incorporating the Priority Action Plans (from Levels 1-3 inclusive) into the relevant corporate plan or strategy.

It is intended that the plans produced in each area of work (Phase 2) will be costed so that informed decisions can subsequently be taken about the relative affordability of various proposals. These costings may have to be quite broad brush, initially at least, but they should be sufficient to inform more detailed consideration as part of Phase 4.

Phase 3. Island Resource Utilisation

In Phase 3, the policy direction being set out in the Phase 2 plans will inform the development of the various States strategies that influence the use of the Island’s key resources in terms of land use, population and employment, energy and water & stone resources.

The political priorities, plans and resource strategies will be debated and, it is hoped, endorsed by the States in the (July) GBP debate as indicated on the flowchart.

Phase 4. States Resources Prioritisation

Phase 4 is the stage at which the public sector (States) resource implications of Phases 2 and 3 are fully explored and tested to enable the preparation of :

- Policy Council, States Department and Committee Operational Plans; and
- States Financial Plans.

It is anticipated that these will be debated during October in future planning cycles. Section 6 of this report deals more fully with financial planning matters.

Phase 5. Monitoring Performance

The need for a straightforward system to monitor and measure the process of corporate planning for government business has been acknowledged from the outset. The introduction of a system to monitor the efficiency of the process and its effectiveness in achieving desired results are described in the next section of this report.

5. DELIVERY – WORKING TOGETHER TO ACHIEVE STATES OBJECTIVES

Strengthening Links between corporate and departmental working

The Executive Summary to the current GBP, (Billet d’Etat XVIII, 2007) states that “*The main objectives of the GBP are to generate a stronger sense of shared political direction within Guernsey’s consensus form of government and to forge a constructive relationship between corporate strategy and departmental policymaking and service delivery*”.

The GBP process provides a means of inter-relating ‘top down’ corporate policy-making with the ‘bottom up’ process of developing more detailed, service related policy at a departmental level. In each case, policymaking takes place in the context of the political priorities established by the States and both forms of policymaking are necessary to good government.

The GBP seeks to achieve a balance between corporate and departmental responsibilities which enables the government as a whole, led by the Policy Council, to set a strategic direction without disempowering or demotivating the departments in the effective delivery of public services.

Since 2004, the Policy Council has used policy steering groups as the main drivers for developing corporate strategy. If the structure of the GBP is further developed during the next States term as envisaged in this report, the rôle of policy steering groups and other forms of interdepartmental working will become more, rather than less, important and necessary.

This has prompted the GBP Team to look at the current mandates of the Policy Council and States Departments to consider whether these pay sufficient attention to the importance of co-operation and co-ordination within the States organisation.

Policy Council Mandate

The Policy Council's **existing** mandate includes three clauses which are particularly relevant to strategic and corporate policymaking and the co-ordination of States activities.

These are:

“Strategic and Corporate policy

- *Developing, together with the relevant department(s), appropriate responses to strategic issues which confront the Island including any population and migration measures considered necessary;*

Co-ordination of States activities

- *The coordination and allocation of responsibilities and functions to departments and committees;*
- *To develop, present to the States for approval as appropriate, and implement policies on the above matters for the provision of services, introduction of legislation and other measures which contribute to the achievement of strategic and corporate objectives.”*

A full copy of the mandate is provided for reference as **Appendix C**.

It is proposed to revise the Policy Council's present mandate by replacing these clauses with new wording specifically referring to the GBP and the rôle of policy steering groups and so clarifying the Policy Council's responsibilities.

The proposed replacement clauses are as follows:

Strategic & Corporate Policy

- **Promoting the development and review of the Government Business Plan through a process of direct consultation with States Members and**

consultation with departments and committees to ensure appropriate responses to strategic issues which confront the Island, including any population and migration measures considered necessary.

Co-ordination of States activities

- **The allocation of responsibilities and functions to departments and committees and the co-ordination of action to enable the implementation of the Government Business Plan, including action taken through the establishment of corporate and cross-departmental policy groups.**

States Department Mandates

All department mandates currently include the following standard clause:

- *“To develop, present to the States for approval as appropriate, and implement policies on the above matters for the provision of services, introduction of legislation and other measures which contribute to the achievement of strategic and corporate objectives.”*

It is recommended that this clause be replaced with revised wording complementary to the proposed changes to the Policy Council’s mandate to support the GBP process in a more explicit way.

The proposed replacement clauses are as follows:

- **To contribute to the achievement of strategic and corporate objectives, both departmentally and as part of the wider States organisation, by:**
 - (i) **developing and implementing policies and legislation, as approved by the States, for the provision of services in accordance with this mandate; and**
 - (ii) **actively supporting and participating in cross-departmental working as part of the Government Business Plan process and ensuring that public resources are used to best advantage, through co-operative and flexible working practices.**

NB: It is not proposed that States Committee mandates should be changed. House Committee, Legislation Select Committee, Public Accounts Committee, and Scrutiny Committee, perform parliamentary functions independent of the GBP process whilst the other Committees have specialised functions outside the mainstream provision of public services.

GBP ‘Delivery Priorities’ – Examples of work in progress

As explained in Section 3 of this report ‘States Priorities – Progress Update’, States

Priorities 12, 13 and 14 are concerned with the way in which government is organised to deliver public services. Examples of the progress being made in these priority areas are provided below.

Priority 12 – Deliver a streamlined government programme more corporately

Level 1

To rationalise the scope of public services and the manner in which they are delivered by putting the needs of the customer in the forefront and ensuring that government departments work together to meet those needs in a streamlined and responsive way.

The mandate changes proposed in the previous section of this report strongly reflect the objectives of Priority 12 because the GBP Team has lead responsibility for three of the four workstreams relating to this priority. This includes responsibility to “*Develop a stronger commitment amongst States bodies to work together across organisational boundaries to deliver public services more effectively and achieve corporate objectives more determinedly*” (Co-ordinating and Improving Service Delivery).

Since the current GBP was approved by the States last July/September, the GBP Team has given particular attention to the way in which the States listens to its clients/public service customers and responds to their needs.

Rather than develop a ‘top down’ communication strategy across the whole States organisation, the Team is working with Chief and Senior Officers to promote good departmental pilot schemes from which others can learn, and which can be adapted according to the requirements of different service areas.

The GBP Team is also promoting the redesign of the States of Guernsey official website, starting, very pragmatically, with incremental improvements to the existing site to increase its attractiveness and accessibility from the customers’ point of view but with the objective of achieving more radical changes as soon as possible.

Priority 13 – Create a forward-looking culture amongst all public sector staff

Level 1

To adopt policies which revitalise public sector working practices which focus on efficiency, quality and innovation. This will include policies which enhance the general working of the public sector, aid recruitment, endorse best practice and help develop staff.

The objective of bringing about a ‘modernisation’ of the culture within the public sector through the various work streams in the Priority 13 Action Plan is now being pursued under the banner of ‘Developing Our Public Sector’. The majority of departments are now actively involved in a rolling programme which involves staff at all levels in a

process of change which challenges old ways of doing things.

The Policy Council does not underestimate the scale of this project, given the size of the States organisation, but a strong sense of momentum has now been established. Recent changes also include the devolution of HR responsibilities from the Policy Council to States Departments, in the interests of greater responsiveness and flexibility.

Priority 14 – Actively prioritise legislation

Level 1

(1) To accelerate the drafting and enactment of legislation.

The prioritised schedule of legislation published as part of the current GBP has been reviewed and updated by the Policy Council and the revised schedule is provided as **Appendix D**.

It has been acknowledged in previous GBP reports that a schedule of this kind can only provide a ‘snapshot’ of the States legislative programme at one point in time. The Law Officers and the Policy Council are now investigating options to establish a better joint system to manage and direct the legislative process on a continuous basis.

Level 1

(2) To bring forward reports, within this States term, which may lead to the drafting of new legislation

In the GBP debate in July/September 2007, the States passed an amendment by Deputy Jean Pritchard to revise the wording of section (2) of Level 1 of States Priority 14 “*actively Prioritise legislation*” so as to insert immediately after “*reports*”, the words “*and in particular a report on the enactment of legislation needed to allow the United Nations Convention on the Elimination of all forms of Discrimination against Women to be extended to Guernsey in line with the States resolution of 25th September 2003.*”

It was agreed during the debate that the progression of the Convention on the Elimination of all forms of Discrimination against Women (CEDAW) would become the responsibility of the Social Policy Group (SPG). The SPG has since agreed an approach to take the project forward and will be liaising with other departments and the Law Officers.

In order to make progress,, a Social Policy Development Officer is being appointed on a two year contract. The officer will work predominantly on social policy projects, including the extension of CEDAW, to the Bailiwick and the preparation of a Domestic Abuse Strategy. It is anticipated, at the time of writing,, that if this post can be filled internally, work on CEDAW can move forward in March. In the interim, the Social Policy Co-ordinator is preparing the groundwork on the project.

Part of the £50,000 budget allocated to this project will be used towards paying for the new two-year post. The remainder has been reserved, of which a portion may have to be used in obtaining specialised legal advice.

It is hoped that in the latter part of the contract period, the Social Policy Development Officer will also be able to undertake work on Civil Partnerships. This work arises from the September 2006 States Resolution to direct the Policy Council to initiate an investigation into the desirability of enacting legislation in relation to this issue, including to enable people to enter into legally recognised and binding civil partnerships in Guernsey.

Monitoring and Measuring the Implementation of the GBP

The purpose of a corporate monitoring system will be to provide the States and the public with an insight into:

1. How the actions contained in the Government Business Plan (GBP) are progressing; and
2. The effect of Government actions.

The intention is to establish a single overarching monitoring system to measure progress and outcomes of the GBP, rather than several separate monitoring processes.

The corporate monitoring system will regularly report progress, covering programmes, initiatives and workstreams listed in the plan. These will be subject to further refinement following discussions and decisions about how the GBP will be resourced. An overview of how the monitoring system will work is provided below.

Overview of framework

The monitoring system will initially focus on reporting progress with the implementation of the suite of plans identified in Phase 2 of the corporate planning process (see coloured Appendix 1), then, as these Plans become established, an evaluation of their effectiveness in terms of the outcomes being achieved ‘in the community’.

To minimise paperwork and aid efficiency, it is intended that a central electronic Government repository for the reports will be established. This is currently at the early stages of development.

Progress reports

Stage 1

It will be the responsibility of the Policy Council working groups to ensure that the Strategic Plans in their areas of responsibility are being progressed. This will involve liaison with those directly responsible for action (ie. States Departments).

Each Policy Council working group will then provide a progress report to the GBP Team every six months. These reports will be in a common electronic format (currently being designed) and compiled online using a secure portal via the Government central server.

Stage 2

The final version of each report will be stored on the main server using a dedicated portal enabling access by staff from each Department and support staff working with the GBP Team.

Stage 3

GBP support staff will extract copies of the progress reports for analysis and compilation. A simple 'traffic light' system for evaluating three levels of progress is being developed, together with a risk/exception reporting process:

- Green: On track - progressing
- Amber: Behind schedule - delayed but with some progression
- Red: Off track - stalled/disruption

The GBP Team will also provide advice and guidance to assist departmental staff. It is envisaged that the GBP Team will review progress and provide **a short 'Exception Report' to the Policy Council every six months**, so that action can be taken to deal with any problem areas and particular successes can be noted. An Exception Report is a concise report which highlights areas where progress is exceptionally good or bad. Copies of the Exception Reports will also be copied to all States Members and to the Chief Officers Group.

Stage 4

Every 12 months the Policy Council will provide a progress report to accompany the annual submission of the GBP to the States of Guernsey for debate.

Assessing the effectiveness of the GBP

The process of evaluating the policy effectiveness and the impact of government intervention will focus on measuring outcomes on an on-going basis. This will be achieved by tracking change over time, using outcome indicators similar to those used in the Sustainable Guernsey monitoring report. A review of existing sustainability indicators contained in the report is being planned and, where possible, the process of monitoring the effectiveness of government intervention will be aligned with the process of evaluating Guernsey's long term sustainability.

An important component of evaluating policy effectiveness will be ensuring that there is regular consultation with the customers of States services. With this in mind, the

intention is to ensure that, in future, the public are invited to provide regular feedback on the performance of the Government Business Plan, via the States web-site for example.

Review

With the development and establishment of a new corporate monitoring and evaluation framework, it will be important to pilot the system and evaluate whether it is working effectively. It is intended that a regular review is conducted so that refinements can be made. It is anticipated that the first review will be one year after the changes have been introduced. It is likely to be two or three years before the outcome indicators can start to be evaluated.

6. CHALLENGES AHEAD

The new States term – 2008-2012

One of the two main objectives of this report is “to enable the GBP process to make a smooth transition from the present States assembly to the new assembly in May 2008”.

To assist this process, it is intended to provide candidates for election and, subsequently, elected Deputies, with access to information about the GBP process and the work of States Departments and Committees. Policy Council staff are in contact with the Bailiff’s office and House Committee staff, to ensure that the information provided is appropriate and that it is co-ordinated with any ‘induction’ material that they also provide.

Improvements will also be made to the official States web-site in advance of the elections, to ensure that the GBP and related material is readily available to all.

New challenges facing States Members

The development of Guernsey’s first corporate plan for government business has been a politically driven process throughout and it will continue to be so as the GBP continues to develop.

To date, the main achievement has been to establish a majority consensus for action amongst 47 independent States Members in a non-party system. This report identifies ways in which the new States assembly can establish a more comprehensive and coherent system of related plans and strategies to put this political consensus into action but it will require leadership from the future Policy Council and commitment from all States Members to ensure that results are delivered.

Traditionally, most States members have felt comfortable in coming to grips with operational matters and the development of departmental policy but have found it much more difficult to engage with action at a corporate level or to think strategically.

The “*reluctance on the part of many politicians to engage in the establishment of strategic policy*”, and the “*lack of political leadership in terms of ownership of the ability to deliver strategic policy*”, were key criticisms of government identified in the Harwood Review of the Machinery of Government (2000).

The development of the GBP process now provides a system to make strategic and corporate planning effective, but the process will only be successful if States Members continue to provide their active support. It will be particularly important in the new States assembly, for Ministers to work as a corporate body rather than as a group of departmental representatives.

Integrating Financial Plans within the broader GBP structure

The importance of integrating financial planning within the Government Business Plan is highlighted in the introduction to this report.

The process recommended as part of the 5 phase approach to resource prioritisation envisages that costing will take place in two stages:

- First, broad costings will be applied to the potential corporate projects and initiatives being promoted through the suite of Strategic Plans. Undoubtedly, the most complex and high spending proposals for expenditure will arise in the area of social policy. By being presented with costed options for expenditure across the full range of government activity represented in the Strategic Plans, the States will have a far clearer context than before for prioritising spending.

(Phase 2 of the 5 phase process.)

- Second, once the States have debated and determined their corporate spending priorities through the July GBP debate, the costing of the Operational Plans (Policy Council/Departments/Committees) will be finalised. The financial arrangements which would need to be put in place to enable the expenditure envisaged in the Operational Plans will then be fully explained in the States Financial Plans and presented to the States for consideration in October. In this way, the States will be able to determine their financial priorities in relation to their public service objectives.

(Phase 4 of the 5 phase process.)

Although it is anticipated that there will be a 2 year cycle for States financial planning in the future; annual reviews and adjustments will be necessary. The process of integrating policymaking and financial planning will inevitably be very demanding at first but should become easier as the States become more experienced in the new way of working. The 2008 - 2012 States term will be very much a period of learning and refining the process of integration through practical action.

An indicative timeline for 2008 - 2012

An indicative timeline for implementing the new GBP process is provided as coloured **Appendix 2**. It is a revised version of the timeline published with the first, incomplete GBP in December 2006, (Billet D'Etat XIX, 2006).

The main differences between the two timelines reflect the formulation and costing of the Strategic Plans and complementary changes to the financial planning process as described in the previous section.

The new timeline shows that the main period for informing the public about the GBP and receiving informal feedback will be in the run-up to the main GBP debate in Spring 2009, but it is anticipated, (bearing in mind the pledge to improve two-way communication in Priority 12), that the new States will use the official web-site and other means to maintain a regular flow of information throughout the GBP process.

7. CONCLUSIONS AND RECOMMENDATIONS

The direction recommended in this report cannot be imposed on the incoming States assembly; it will be for the members concerned to commit their energy and time to this process. This report is intended, however, to provide the new States with clear guidance and a viable process to enable them to proceed more effectively with the GBP during the next term.

Guernsey's system of government is unique and it poses unique challenges, including the challenge of providing leadership and a strong decision-making process in a form that is compatible with independent, non-party politics. The proposals in this report aim to help the new States to meet this challenge, by enabling all States Members to contribute to the delivery of 'joined up', corporate government; by facilitating a process of resource prioritisation and by expanding and balancing the structure of the GBP.

Recommendations

The Policy Council recommends the States:

1. To note the examples provided in sections 3 and 5 of this report indicating the progress being made to achieve the objectives of the States Priorities.
2. To approve the Priority action plan for Priority 15 in Appendix A for inclusion in the Government Business Plan.
3. To approve the intended restructuring of the Government Business Plan to enable a five phase process for corporate planning and resource prioritisation as described in section 4 of this report and accompanying diagram (coloured Appendix 1).
4. To approve the amendments to the Policy Council and States Department

mandates set out in section 5 of this report.

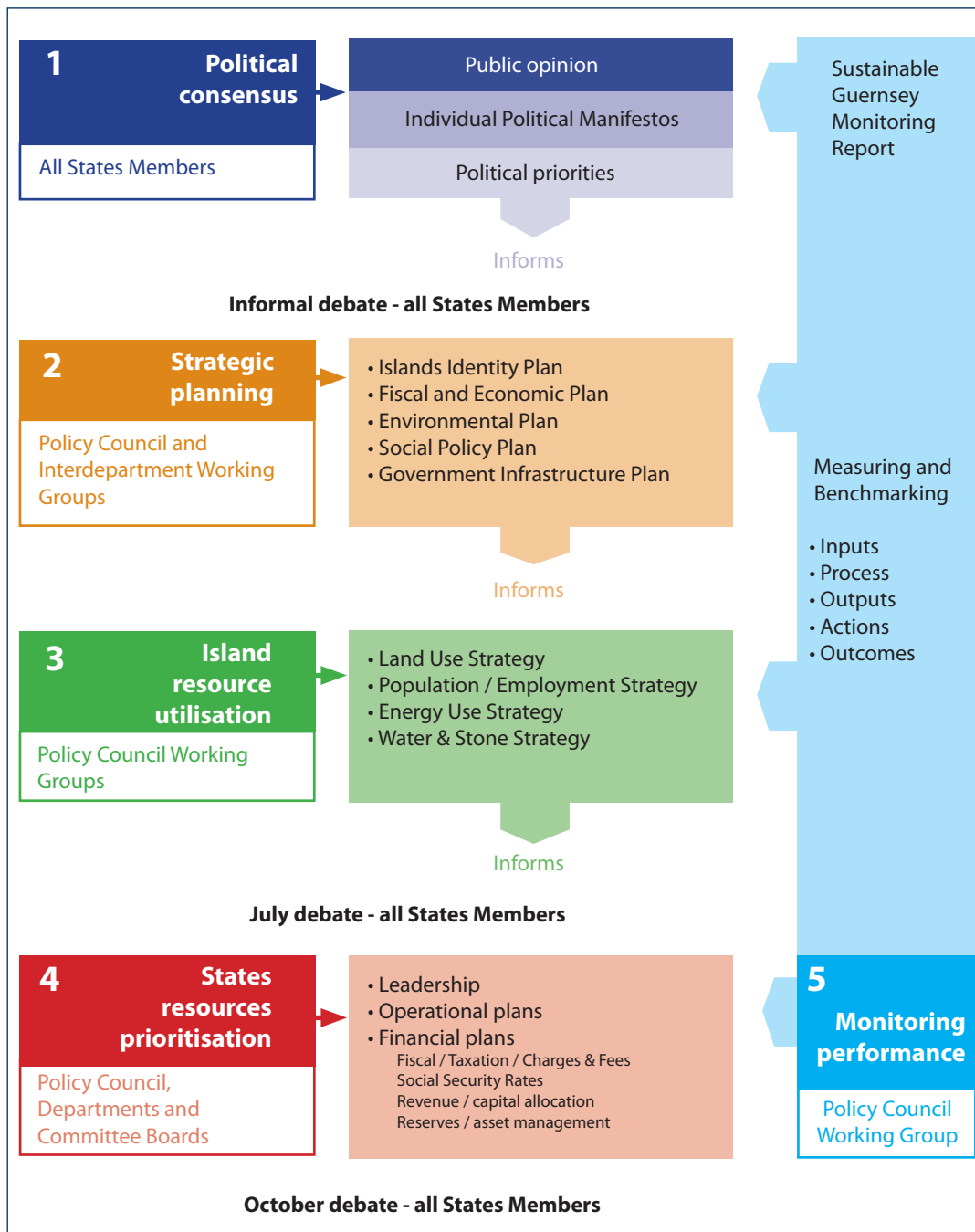
5. To approve the prioritised schedule of legislation in Appendix D that forms Level 1 of States Priority 14 'Actively Prioritise Legislation'.
6. To approve the introduction of a corporate monitoring system to measure the progress being made to implement the Government Business Plan and the outcomes achieved, as described in section 5 of this report.
7. To endorse the further development of the process recommended by the Policy Council to integrate States financial planning within the restructured Government Business Plan, and so provide the States with a better context for prioritising spending as described in section 6 of this report, Appendix C and coloured Appendix 2 (Indicative Timeline).
8. To note all other sections of the report not specifically referred to above.

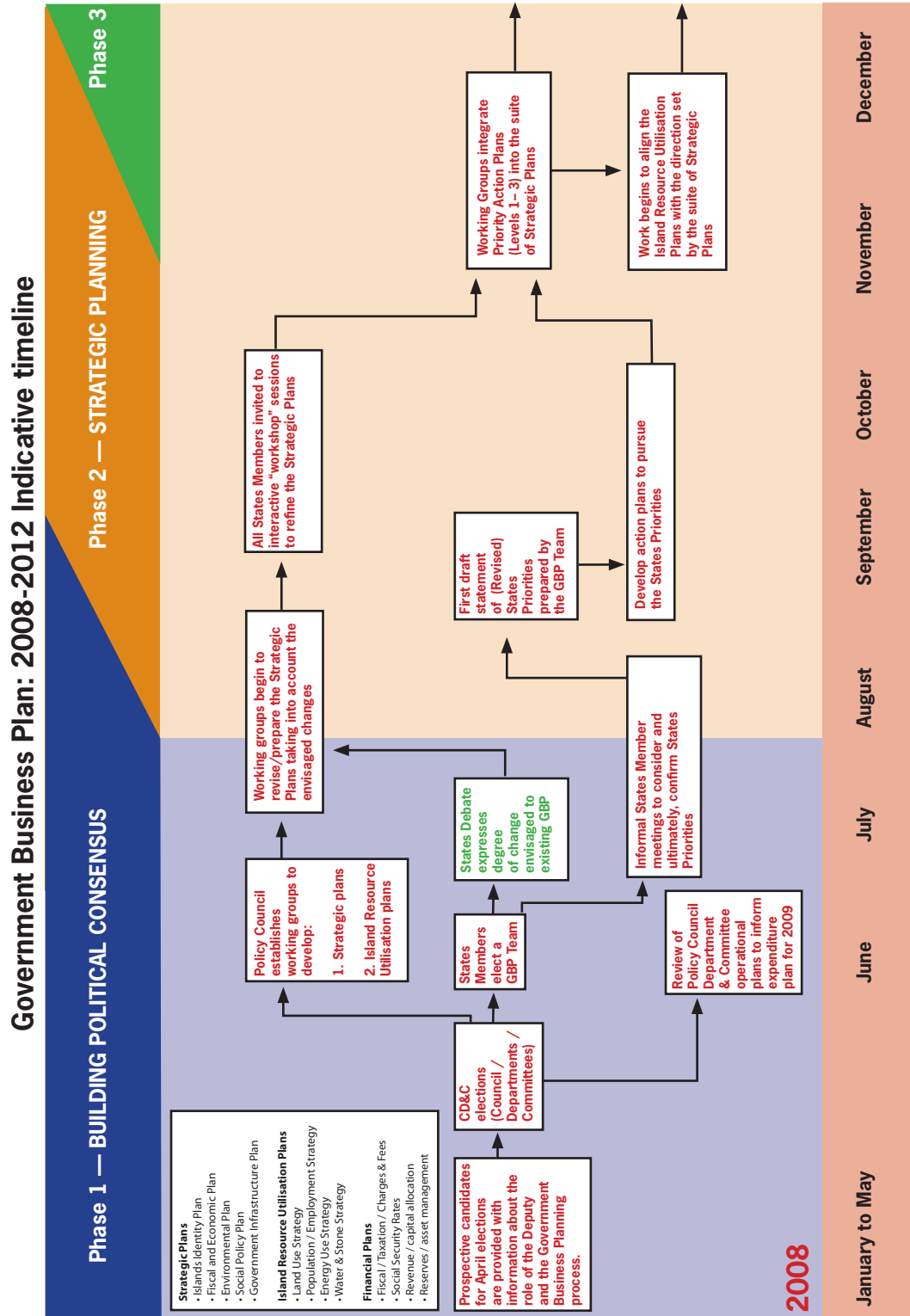
M W Torode
Chief Minister

4th February 2008

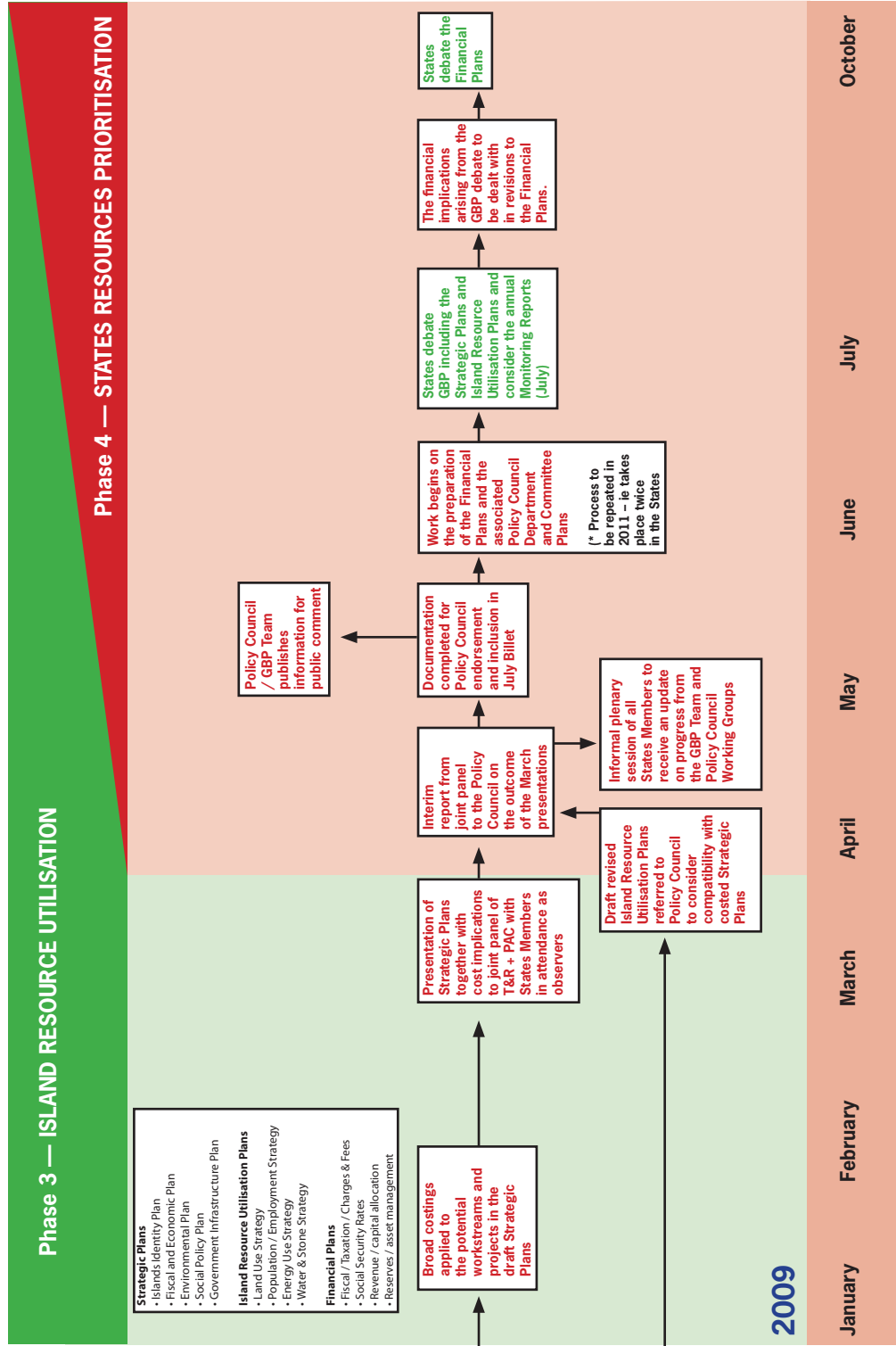
Corporate Planning for Government Business

A 5 phase approach to resource prioritisation





Government Business Plan: 2008-2012 Indicative timeline



**Priority 15—Protect and Enhance the Environment, Biodiversity
and the Countryside**

Level 1

To ensure the protection and enhancement of the environment and of the richness and variety of wildlife and habitat that comprise the islands biodiversity including the wider countryside, natural landscapes and the coastal and marine environment.

Level 2

- To promote and implement actions and initiatives to ensure the protection and enhancement of the environment and the islands biodiversity.
- To review and develop policies to ensure the protection and enhancement of the environment and the islands biodiversity.
- To review and develop legislative provisions to ensure the protection and enhancement of the environment and the islands biodiversity.

Level 3

Protection through Promotion

- To promote good management practice on both public and private land, including through education and information dissemination of the principles, policies and regulations.
- To identify species and habitats under threat through ongoing monitoring of species and habitats by the biological records centre and promotion of the findings.
- Through habitat survey to compare habitat change and identify trends, threats and opportunities and to promote the findings.

Protection through Policy

- To introduce Coastal and Countryside strategies that support Guernsey's agricultural and horticultural and fishing industries whilst protecting the environment and biodiversity.
- In respect of land under States administration to require controlling departments to ensure land is managed in accordance with habitat protection and enhancement protocols

- Through the drafting of habitat management plans to prescribe management actions which provide for the day to day sustainable management of habitats and the species they accommodate.
- Through policy embrace the principles of the Biodiversity Convention

Protection through regulation

- To bring into force and implement the Land Planning and Development Law with its enhanced powers for environmental protection
- To introduce and implement the Ordinances relating to Environmental Impact Assessment and Special Controls (sites of Special Significance and Tree Protection Orders).
- Through a legislative and policy stock take, identify any additional environment and biodiversity protection provisions that may be deemed necessary.

Outline Environment Strategy

Headline Policy

Promote, develop and adopt policies and actions that conserve and enhance the amenity of Guernsey's natural and built environment ensuring a sustainable future and high environmental quality for future generations whilst paying due regard to global environmental issues and initiatives

Key Objectives

A.) Natural History and Amenity

Ensure that the Island's natural history and amenity is recognised and protected as a sustainable resource.

B.) Built Environment

Recognise and protect exemplars of architectural and planning achievement and those aspects of the built environment that contribute to the uniqueness of Guernsey's identity. Identify opportunities to mitigate and/or rectify those aspects of the built environment that represent a major detraction from the Island's integrity. Mitigate the adverse effects of essential development required to meet the Island's economic and social needs.

C.) Sustainable Future

Establish sustainable policies in respect of key resource issues facing the Island including, Energy, Waste, Land Use and Transportation whilst supporting the Island's social and economic development.

D.) Environmental Quality

Establish and collate data from pollution monitoring programmes identifying priorities for action and setting standards in relation to potentially polluting emissions including noise, light, and emissions to ground, water and air.

Key Deliverables

A1 Biodiversity

Through the application of the new Planning Laws, identify sites of Special Nature Conservation Importance and prescribe management protocols to protect the habitat and biodiversity of those sites. Develop and implement the biodiversity action plan and introduce legislation and controls necessary to protect endangered species and habitats.

A2 Fauna

Identify those animals of specific importance to Guernsey's biodiversity and formulate and implement action plans to support and promote their sustainability.

A3 Trees

Audit the Island's tree stock identifying trees and plantations of major habitat importance and prescribe management protocols ensuring the protection and enhancement of the Island's tree-scape.

A4 Wetlands

Promote wetlands as areas of Special Nature Conservation Importance and prescribe management protocols to protect the habitat and biodiversity of those sites.

A5 Littoral Zone

Promote the littoral zone as a wetland of major habitat importance ensuring that development on the fringes of the littoral zone, including off shore development, is subjected to appropriate examination and conditions to protect the littoral zone from unnecessary adverse impact.

A6 Countryside

Establish a country side strategy that supports agricultural and horticultural industries, protects key habitats and species, protects the traditional landscape and promotes the countryside as a sustainable resource for our wise use.

A7 Marine & Coastal

Establish a marine and coastal strategy that supports the sea fisheries industries, protects key habitats and species, protects the traditional seascape and promotes the marine environment as a sustainable resource for our wise use.

A8 Landscapes

Through application of the new planning laws develop policies to protect the Island's landscapes.

A9 Cliffs and Headlands

Promote the cliffs and headlands as a habitat of major importance ensuring that any potential development is subjected to appropriate examination and conditions to protect the habitat from unnecessary adverse impact

B1 Archaeological and Historic heritage

Through application of the new planning laws, develop policies, plans and area statements to protect and promote the Island's heritage both in respect of individual sites, buildings and monuments as well as in respect of areas of conservation importance.

B2 Listed Buildings

Through application of the new planning laws formulate policies for the listing and protection of buildings of heritage importance and significant architectural merit. Update the register and adopt proactive management plans in respect of those listed buildings under States control.

B3 Architectural quality

Through application of the new planning laws formulate policies and area design statements which will assist architects and developers to ensure development is in keeping with the Island's architectural heritage, respects its settings and promote quality in architectural approach.

B4 Road network

Through review of the Island's road hierarchy and the application of appropriate policies and traffic management tools, mitigate the adverse impacts of vehicles movements and the visual and land use impacts of vehicle parking.

B5 Open Spaces

Promote policies which ensure the sustainable provision and maintenance of open areas and green spaces including formal parks and gardens with an emphasis on drought tolerant low maintenance perennials, shrubs and trees which typify and celebrate Guernsey's uniqueness.

B6 Coastal defences

Ensure that Guernsey's coastal defences –including rock armour, concrete and masonry structures, natural soft cliffs and sand dunes, provide a sustainable balance to the protection of the Island's land mass and valuable built assets whilst avoiding unnecessary damage to or loss of habitats and/or despoiling the natural beauty of the Island's coast

C1 Land use

Through application of the new planning laws formulate policies and area plans which carefully balance the essential social and economic development needs against the wise and sustainable use of the Island's land stock having particular regard to habitat and landscape protection.

C2 Sustainable build

Through application of the new planning laws and building regulations develop planning conditions which support sustainable build and low carbon footprint development.

C3 Waste

In light of the outcome of the tendering process for a residual waste treatment plant, review and develop waste policies and regulations to ensure the appropriate and safe disposal of the Island's waste.

C4 Energy

Recognising that the wasteful use of energy contributes to climate change and pollution, adopt policies and strategies which promote energy efficiency and support the use of clean renewable energy

C5 Traffic

Adopt policies which support a move away from the private motor vehicle as the

primary means of transport and which support the use of cleaner more efficient vehicles and fuel types.

C6 Climate Change Adaptation

In light of developing Climate Change predictions, investigate and assess impacts and probabilities on key infrastructure, business and service provision in the local context.

C7 Climate Change Mitigation.

Adopt and promote policies and actions to stabilise energy consumption at set targets, promote a shift to renewable energy sources, and explore means of contributing to carbon capture.

D1 Noise

Identify key sources of public noise nuisance and background noise creep and implement policies and controls to protect Guernsey's reputation as an Island of tranquillity.

D2 Light

Identify key sources of light pollution and evaluate the need for additional controls or strategies to ensure the maintenance and protection of the quality of the Island's night time environment.

D3 Air

Identify key sources of air pollution and evaluate the need for additional controls or strategies to ensure the maintenance and protection of the quality of the Island's atmospheric environment.

D4 Water

Set water quality standards for the Island's surface and marine waters and regulate discharges to ensure the maintenance and protection of the quality of those receiving waters.

D5 Land

Identify the key sources of land pollution and evaluate the need for additional controls or strategies to ensure the maintenance and protection of the quality of the Island's land base.

APPENDIX C**Policy Council Mandate**

a) To advise the States on matters relating to:-

- The Island's constitutional position including its relationships with the United Kingdom, European Union and other Crown Dependencies, international relations and matters relating to the Parishes and the other Islands of the Bailiwick.
- The formulation and implementation of economic, fiscal, human resource, environmental and social strategic and corporate policies to meet objectives agreed by the States.
- The coordination of the work of the States.

And to be responsible for: -

Constitutional Affairs

- Representing the Island and negotiating on international matters.
- Considering international agreements in which the insular authorities have an interest or are invited to acquiesce and making appropriate recommendations thereon.
- The relationship between the States of Guernsey and States of Alderney.
- The provision, on behalf of the States, of hospitality to appropriate visiting persons and organisations.
- The policy for the future provision of aid overseas.

Strategic and Corporate policy

- Developing, together with the relevant department(s), appropriate responses to strategic issues that confront the Island including any population and migration measures considered necessary.
- The policy framework for the regulation of the financial services sector.
- Corporate human resource policy including terms and conditions of employment, compliance with legislation and good practice and to be responsible for: -

- The provision of corporate human resource services and advice to departments and committees as appropriate.
- Fulfilling the States role as employer of established staff.
- The appointment of Chief Officers of Departments and Committees and other senior civil service appointments.
- Sanctioning the recommendations of the Public Sector Remuneration Committee in respect of the salaries affecting the posts of Lieutenant Governor, Bailiff, Deputy Bailiff, Law Officers of the Crown and Magistrates.
- Determining the remuneration and conditions of service applicable to HM Greffier, HM Sheriff and HM Sergeant after consultation with HM Procureur.
- The provision of corporate research programmes and the maintenance of corporate statistics including responsibility for population data.

Coordination of States activities

- The coordination and allocation of responsibilities and functions to departments and committees.
 - The coordination of non-operational matters in the event of an emergency, to preserve life and the well being of the community and the preservation of law and order.
 - Requiring a Department or Committee to examine and report to the States or to the Policy Council on any matter which falls within the mandate of such a department or committee.
 - Receiving and commenting as appropriate on all proposals and reports which are to be placed before the States by Departments and Committees.
 - The preparation of the Agenda for meetings of the States of Deliberation and the States of Election.
 - The prioritisation of the States' legislative programme.
 - The Island Archives Service.
- b) To examine and report to the States, or to require a department or committee to examine and report to the States, or to the Policy Council, on any matter which falls outside the mandate of any Department or Committee.

- c) To develop, present to the States for approval as appropriate, and implement policies on the above matters for the provision of services, introduction of legislation and other measures which contribute to the achievement of strategic and corporate objectives.
- d) To exercise the powers and duties conferred on it by extant legislation.
- e) To exercise the powers and duties conferred on it by extant States resolutions, including all those resolutions, or parts of resolutions, which relate to matters for the time being within the mandate of the Policy Council and which conferred functions upon the former: -
 - Advisory and Finance Committee
 - Civil Service Board
 - Heritage Committee
 - Island Reception Committee
 - Overseas Aid Committee.
- f) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to the Policy Council.

PRIORITY 14

Actively Prioritise Legislation

Level 1

(1) To accelerate the drafting and enactment of the legislation as set out in the following prioritised schedule.

The schedule was collated as at 31st January 2008. It includes items that are subject to a States Resolution and certain items known to be coming forward in 2008/9. The schedule therefore can only provide a 'snapshot' of the States legislative programme.

'A' = Top Priority

'B' = Medium Priority

'C' = Low Priority relative to other legislation over the next 12 months.

Department	Projet/Ordinance	Resolution	Priority
Commerce and Employment	Competition and Fair Trading Ordinances		A
	Companies Law Ordinance (to implement 8 th Directive on Auditors)		A
	Companies Law Ordinance (to give local powers to UK takeover panel)		A
	Companies Registry Ordinance	15.10.07 12.12.07	A
	Financial Services (Amendment) Law – not approved by Sark		A
	Insurance Business (Amendment) Ordinance	25.07.07	A
	Insurance Managers and Intermediaries (Amendment) Ordinance	25.07.07	A
	Minimum Wage Law	31.10.07	A
	Registered Patents (Bailiwick of Guernsey) Ordinance	27.11.02	A
	Regulation of Auditors Law		A
	Establishment of Foundations Law	15.12.06	B
	Image Rights Ordinance	27.11.02	B

	Innovation Warranties Ordinance		B
	Milk Ordinances	25.04.07	B
	Animal Welfare Ordinances	28.02.03	C
	Electricity Amendment Law	29.01.03	C
	Garden Centres Law	27.03.02	C
	Genetically Modified Crops Law	27.11.03	C
	Personal Insolvency Law		C
	Plant Health Ordinance	27.04.06	C
	Retail Business (Registration) (Guernsey) Law	27.03.02	C
	Trade in Endangered Species (CITES) Law	27.04.06	C
Education	Education (Amendment) - School leaving age Law	10.05.01	A
	Higher Education Funding Law		A
Environment	Land Planning and Development (Commencement) Ordinance	26.01.05	A
	Land Planning and Development (Fees) Ordinance, 2008	26.01.05	A
	Paid Parking Ordinance	31.03.06	B
	Public Transport (Amendment and Consolidation) Ordinance	11.10.00	B
	Public Highways (Temporary Closure) (Amendment) Ordinance	27.10.05	C
	Ratification of Convention on Biodiversity		C
Health & Social Services	Mental Health (Bailiwick of Guernsey) Law	29.09.04	A
	Medicines Law (Bailiwick of Guernsey) Law	29.09.04	A
	Children (Alderney and Guernsey) Law Ordinances	28.10.04	A
	Charging for treatment after motorised vehicle accidents Law	26.07.06	B
	Health and Social Services Charitable Trust	31.10.07	B
	Nursing Homes and Residential Homes Law	27.09.07	B
	Nursing and Residential Homes Ordinances	26.07.06	B
	Regulation of Health and Medical Professionals Law (including ordinances for relevant professions such as Nurses and Midwives)	26.04.07	B
	Environmental Pollution Ordinance		B
	Human Tissue Law		C

Home	Age of Consent Law		A
	Fixed Penalties	26.10.06	A
	Criminal Justice (Sexual Offences) Law	27.04.06	A
	Fraud Law (cyber crime)	31.05.07	A
	Gambling Law	31.10.07	A
	Insurance Discs – display on motor vehicles	27.09.07	A
	Misuse of Drugs – Customs and Police powers, penalties and evidence	31.05.07	A
	Parole (Guernsey) Law	27.04.05	A
	Police Complaints (Guernsey) Law	26.01.05	A
	The Live-link Evidence Ordinance 2008		A
	Terrorism Law – new offences based on Terrorism Act 2006	29.11.06	A
	Prison Administration Law		A
	Vehicle Noise	12.12.07	B
	Firearms Law	29.11.06	B
	PPACE Amendment	27.09.07	B
	Fire Services Law Amendments		B
	Child Sex Tourism Law (parts of which may be covered by the Criminal Justice (Sexual Offences) Law)	27.04.06	C
	Data Protection Law Amendments	27.09.06	C
	Extradition Law		C
	Road Traffic (pillion passengers) Law	29.11.06	C
House Committee	Reform Law – political activities of States employees and other officers	28.09.07	B
Housing	Housing (Control of Occupation) Law		A
	Charges for Right to Work documents Law	27.09.07	A
	States Property Rationalisation	28.11.07	A
Policy Council	Civil Aviation Law		A
	Air Navigation Ordinance (under Civil Aviation Law)	26.07.06	A
	Armed Forces Law		A
	Charities and Non-Profit Organisations (Investigatory Powers) (Bailiwick of Guernsey) Law	27.09.07	A
	Charities and Non-Profit Organisations (Registration) (Bailiwick of Guernsey) Law	27.09.07	A
	Civil Contingencies Law		A
	Electronic Transactions – rules of evidence	24.02.00	A
	Interpretation (Bailiwick of Guernsey) Law	29.06.05	A

	Legal Aid (Bailiwick of Guernsey) Establishment of Schemes - Ordinance	25.07.01	A
	Protection of Investors Ordinance	25.07.07	A
	Regulation of Accountants Law 2007		A
	Regulation of Civil Aviation	26.07.06	A
	Regulation of Overseas Lawyers Law	25.07.07	A
	Arbitration Law	25.02.04	B
	Magistrate's Court Reform	27.06.07	B
	Reform (Amendment) Law, 2008	31.10.07	B
	Royal Court Reform	27.06.07	B
	Amendment to and Consolidation of the Guernsey Financial Services Commission Law		B
	Census Law Ordinance	27.04.05	C
	Establishment of a Tribunals Service Law	10.07.02	C
	Introduction of Referendums Law	01.08.02	C
Public Services	Waste Water charges	31.10.07	A
	Water Charges Ordinance		A
	Adoption of International Convention on Liability and Compensation for Damage in connection with carriage of hazardous etc. substances by sea	26.07.06	B
	Merchant Shipping – oil pollution compensation, safety at sea	28.03.07	B
	Boats and Vessels (Registration)etc (Amendment) (Ordinance)	10.03.04 25.04.07	C
	Introduction of Fees for Man In Charge Licenses	12.12.07	C
	Sewerage (Guernsey)(Amendment) Law	27.09.06	C
	Public Sewers on private land	01.02.07	C
Social Security	The Attendance and Invalid Care Allowances Ordinance, 2008		A
	The Family Allowances Ordinance, 2008		A
	The Long-term Care Insurance (Guernsey)(Annual Grant and Rates) Ordinance, 2008		A
	The Health Service (Benefit) (Annual Grant and Amendment) Ordinance, 2008		A
	The Social Insurance (Rates of Contributions and Benefits, etc)(Amendment) Ordinance, 2008		A
	The Supplementary Benefit (Implementation)(Amendment) Ordinance, 2008		A

Treasury & Resources	Goods and Services Tax Enabling Law, 2008	30.06.06	A
	Income Tax Miscellaneous Provisions		A
	Income Tax Information Gathering Powers		A
	Tax ETI scheme – Payments to overseas workers in the construction industry		A
	Amendments to Compulsory Purchase Law		B

(NB By a majority, the Treasury and Resources Department supports the proposals.)

The States are asked to decide:-

X.- Whether, after consideration of the Report dated 4th February, 2008, of the Policy Council, they are of the opinion:-

1. To note the examples provided in sections 3 and 5 of that Report indicating the progress being made to achieve the objectives of the States Priorities.
2. To approve the Priority action plan for Priority 15 set out in Appendix A to that Report for inclusion in the Government Business Plan.
3. To approve the intended restructuring of the Government Business Plan to enable a five phase process for corporate planning and resource prioritisation as described in section 4 of that Report and accompanying diagram (coloured Appendix 1).
4. To approve the amendments to the Policy Council and States Department mandates set out in section 5 of that Report.
5. To approve the prioritised schedule of legislation set out in Appendix E to that Report that forms Level 1 of States Priority 14 'Actively Prioritise Legislation'.
6. To approve the introduction of a corporate monitoring system to measure the progress being made to implement the Government Business Plan and the outcomes achieved, as described in section 5 of that Report.
7. To endorse the further development of the process recommended by the Policy Council to integrate States financial planning within the restructured Government Business Plan, and so provide the States with a better context for prioritising spending as described in section 6 of that Report, Appendix C and coloured Appendix 2 (Indicative Timeline).
8. To note all other sections of the Report not specifically referred to above.

TREASURY AND RESOURCES DEPARTMENT**APPOINTMENT OF NON-EXECUTIVE DIRECTOR
GUERNSEY ELECTRICITY LIMITED**

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

8th February 2008

Dear Sir

Mr Jim Shaw, one of five non-executive directors of Guernsey Electricity Limited has indicated his retirement from the Board. The Treasury and Resources Department is therefore proposing that a new non-executive director is appointed to replace Mr Shaw.

Mr Shaw is an “off-island” specialist director with an electricity consulting background and his knowledge and experience was extremely valuable during his term as Non-Executive Director. However, the Board of Guernsey Electricity Limited no longer considers it necessary to have an “off island” specialist director and believes that his replacement should be someone with broader based commercial management experience preferably allied with a good technical background.

Mr Martyn Mann who is Chief Executive of Polar Instruments Limited, a local electronics industries company which has overseas subsidiaries, has agreed that his name can be put forward as a non-executive director.

Mr Mann has an HND in Electrical and Electronic Engineering, an MSc in Electronics and has recently obtained the Chartered Director qualification of the Institute of Directors.

It is considered that Mr Mann’s skills will complement those of the existing Non-Executive Directors and assist in the implementation of Guernsey Electricity Limited’s Business Plan and wider strategy.

Recommendation

In accordance with section 3 (1) of the States Trading Companies (Bailiwick of Guernsey) Ordinance, 2001, the Treasury and Resources Department nominates Mr

Martyn Mann for appointment by the States as a non-executive director of Guernsey Electricity Limited.

Yours faithfully

L S Trott
Minister

(NB The Policy Council supports the proposal.)

The States are asked to decide:-

XI.- Whether, after consideration of the Report dated 8th February, 2008, of the Treasury and Resources Department, they are of the opinion:-

In accordance with section 3 (1) of the States Trading Companies (Bailiwick of Guernsey) Ordinance, 2001, to appoint Mr Martyn Mann as a non-executive director of Guernsey Electricity Limited.

PUBLIC SERVICES DEPARTMENT

WASTE MANAGEMENT AND RECYCLING – PROGRESS REPORT

The Chief Minister
Policy Council
Sir Charles Frossard House
St Peter Port
Guernsey

11th January 2008

Dear Sir

1.0 Executive Summary

- 1.1 In January 2007 the States considered a report submitted by the Environment Department concerning waste management in Guernsey. (Billet d'Etat I, 2007 refers.) Following consideration of that report the Public Services Department took on responsibility for the operational side of waste management and recycling with the Environment Department retaining responsibility for the Island's waste management strategy.
- 1.2 The purpose of this report is to update the States on the progress that the Public Services Department has made in waste management and recycling since taking over responsibility for such matters in February 2007.
- 1.3 It highlights the many successful initiatives that have been introduced or progressed under the Department and explains the Department's intentions with regard to the way forward in respect of recycling.
- 1.4 Whilst generally very positive with regard to what has been achieved, the report also highlights some of the difficulties facing the Public Services Department with regard to making progress towards achieving the target set by the States of a 50% recycling rate by 2010.
- 1.5 The report concludes that in order to make greater progress the level of expenditure will have to increase.

2.0 Introduction

- 2.1 In February 2007 the States agreed the recommendations set out by the Environment Department in Billet d'Etat I, 2007 in respect of the future operational management of solid waste and recycling.

2.2 Paragraph 17.3 of the aforementioned Billet reads as follows:

“To significantly increase current recycling levels and the amount of waste diverted from landfill (and ultimately from end treatment facilities) the following waste services will probably be required:

*Island wide kerbside collection of dry recyclables;
Commercial collection of dry recyclables;
Dedicated processing facilities for dry recyclables;
Rationalisation of bring banks;
Collection facilities for green waste;
In vessel composting facilities for green waste;
Dedicated Civic Amenity Site(s);
Collection services for mixed and/or bulky waste;
Dedicated Materials Recovery Facility (for skip type waste);
Improved scrap metal facilities
Provision for WEEE processing
Ongoing education and promotion activities”*

2.3 The Public Services Department, as will be seen from this report, has therefore focused on the above list and in so doing has successfully taken forward a number of matters initiated by the Environment Department as well as introducing new initiatives of its own.

2.4 Much progress has been made, which has enabled the Island, at the time of writing, to achieve a recycling rate of 31%, compared to a rate of approximately 26% at the end of 2006. However, it has become increasingly clear that, whilst it is certainly possible to continue such achievements, it will be very difficult to do so in the absence of additional funding.

2.5 The Environment Department was given a one-off budget allocation of £500,000 for the purpose of funding recycling initiatives. In February 2007 the balance of this amount – approximately £168,000 – was transferred to the Public Services Department. However, since then expenditure on recycling initiatives has exceeded this amount and at the end of 2007 totalled almost £234,500. This shortfall has been met from budgetary increases, funded by the surcharge levied at the landfill site (which is explained in detail in section 14) but nevertheless at an overall cost to the States.

2.6 As has been indicated in media reports already, the Department has been forced to make difficult decisions regarding prioritising its budget in order to ensure that the initiatives on which it focuses are those that will deliver the best results for the Island.

2.7 Notwithstanding certain difficulties that have been encountered in this respect, the Department is pleased to provide the following account of progress to date.

3.0 Waste Disposal Authority

- 3.1 Following the passing of responsibilities for waste management under the Waste Disposal Plan from the Environment Department to the Public Services Department, the Board of the Public Services Department became Guernsey's Waste Disposal Authority (WDA) and meets in that capacity once a month to deal with matters relating to waste management and recycling.
- 3.2 In what was a first for Guernsey, the WDA made the decision to invite the media to attend its meetings. The only items to which they have not been privy are those that concern confidential or sensitive information, usually of a commercial nature.
- 3.3 In allowing the media such unprecedented access to Departmental meetings, the WDA was keen to ensure that transparency prevailed. It also felt that it would be helpful for the media to see first hand the complex issues with which the Board grapples before making decisions, which are not taken lightly.
- 3.4 This arrangement has worked well. The Department believes that the media representatives who attend have gained a greater understanding of waste management issues and, perhaps as a result, reporting has been both accurate and balanced. It is hoped that the public are better informed as a result.

4.0 Consultative Bodies

- 4.1 The Department is keen to engage other stakeholders in discussions about waste and recycling and, to this end, has formed two consultative bodies which meet on a regular basis. In addition, other ad-hoc meetings have been held with different parties. The constitution and function of the two main consultative bodies is outlined below.

Guernsey Recycling Advisory Forum (GRAF)

- 4.2 One of the first actions of the newly-formed WDA was to set up the Guernsey Recycling Advisory Forum, a group of volunteers, the mandate of which is: *"To advise the Waste Disposal Authority on all possible opportunities for reducing and recycling the Island's waste."*
- 4.3 The Forum consists of the following:

- Chairman - Deputy W M Bell
- Vice-Chairman - Deputy S Ogier

Representatives of the following bodies:

- Guernsey Douzaine Council

- Friends of the Earth
- Women's Institute
- Chamber of Commerce

Plus:

- Three members of the public selected at random from those who responded to an advertisement in the Guernsey Press¹
- Two nominees selected by the WDA from the responses to the above advert, one of whom is a student

- 4.4 The Forum's first meeting was held on 27 March 2007 and regular meetings have been held since. It has been agreed that the Forum will continue to meet at least until April 2008, after which it will be up to the new Board of the Public Services Department to decide its future.
- 4.5 By way of an "induction", Forum members toured all the waste processing facilities on the Island, both those operated by the States and those run by private contractors.
- 4.6 One Forum meeting was dedicated to discussions with representatives of the retail industry, including large and small retailers. Members discussed a wide range of issues, including packaging and plastic carrier bags, with the industry representatives.
- 4.7 The Forum has set up three "sub-groups", each with a specific responsibility, namely: New Initiatives; Education; and Promotion. Each sub-group comprises two or three members, who discuss issues pertaining to their specific subject area and report back to the Forum on a regular basis.
- 4.8 The Department has found it valuable to have dialogue with the Forum and is grateful to all the volunteers who have given up their time to look at recycling issues.

Waste Industry Forum

- 4.9 The Department was conscious that many of the decisions it makes concerning waste matters have an impact - sometimes considerable - on companies that are involved in waste processing. For example, builders may find themselves required to carry out additional sorting of waste and skip companies' overheads rise if tipping charges are increased.

¹ One has now resigned and not been replaced, leaving 8 Forum members.

- 4.10 Industry representatives do make individual submissions to the Department but it was felt that it would be helpful to have regular meetings with commercial operators with a direct interest in the Department's waste management policies. It was further felt that it would be beneficial for such meetings to be held with a group of industry representatives, although the Board is not averse to holding one to one meetings where appropriate.
- 4.11 Three meetings of the Waste Industry Forum have so far taken place. A wide range of issues have been discussed and the Board is finding it extremely useful to have direct feedback in an open forum.
- 4.12 As a direct result of matters raised at Forum meetings, the Department has modified various of its proposals and decisions.

5.0 Island Wide Collection of Dry Recyclables

- 5.1 In 2006 the Environment Department established two trial kerbside collection rounds, one in St Peter Port North (in February 2006) and the other in part of St Pierre du Bois (in April 2006).
- 5.2 The initial intention had been that both trials should end on 31 December 2006 but, at the request of the Environment Department, were initially extended until 31 March 2007. Subsequent to that, the Public Services Department has extended them twice more and they are now due to come to an end on 30 June 2008.
- 5.3 Participating householders use colour-coded sacks to collect paper, cardboard, tins, plastic bottles (PET and HDPE), glass bottles and textiles. Collections are made on a weekly basis, with householders putting out recyclables at the same time as black bag waste but for collection later the same day.
- 5.4 The Department views kerbside collections as making a significant contribution to meeting the target of 50% recycling by 2010. This is endorsed in Billet d'Etat I, 2007 by the Environment Department and also by the Environment Department's consultants, Enviro.
- 5.5 The predicted total tonnage collected from the 2 trial areas for 2007 is approximately 194 tonnes.² On this basis, the whole Island (approximately 24,000 properties) is likely to yield approximately 2,000 tonnes per annum. In reality this figure could be higher if additional publicity is given to the initiative, thereby increasing participation rates. It is, however, important to note that not all of this tonnage would be diverted from landfill, as much of it might have been taken to bring banks (i.e. paper banks, bottle banks, etc.) in the absence of kerbside collections.

² Based on figures to the end of October 2007.

- 5.6 Nevertheless, the indications are that overall a kerbside collection scheme would result in higher recycling rates. In May 2007 the Public Services Department issued a questionnaire to all those who were on the trial kerbside collection routes. Over 90% of respondents advised that their black bag waste had reduced since they had started participating in the kerbside scheme and 78% said that they had recycled more than they might otherwise have taken to bring banks.
- 5.7 The Department is keen for kerbside collections to be introduced on an Island-wide basis in order to make it as easy as possible for Islanders to recycle their waste, rather than allowing it to be disposed of in Mont Cuet, which has only a limited life span.
- 5.8 However, the costs of running an Island-wide kerbside collection have been estimated at approximately £1m per annum. The trials have been run relatively cheaply because the Department has been able to make use of a team of workers provided by the Community and Environmental Projects Scheme (CEPS), which is run by the Social Security Department and involves finding work for persons who would otherwise be unemployed. There is no cost to the Department in using this team of workers but it would not be possible to run an Island-wide scheme on this basis.
- 5.9 The Department does not have sufficient funds to meet the ongoing expenditure of an Island-wide scheme and therefore, in the absence of additional funding, initially considered that the only feasible way for the whole Island to be covered would be for the parishes to run their own schemes.
- 5.10 To this end it has held discussions with parish officials, both collectively and individually, in the hope of encouraging them to take the initiative in introducing such collections in their parishes.
- 5.11 Whilst it is not able to fund an Island-wide scheme, the Department is keen to provide whatever support it can to any parish that is interested in running a kerbside collection. In September 2007 it wrote to each parish to advise that it was willing to offer a reduced rate for use of the facilities at its waste segregation site at La Fontaine Vinery from 1 July 2008. (Use of the facilities prior to this date would be free of charge in view of the fact that 2 parishes had the benefit of free schemes.) From 1 July 2008 the Department was prepared to charge no more than 50% of the gate fee at Mont Cuet, (which is £120 in 2008, hence a gate fee at La Fontaine of £60) and the offer stood until 31 December 2008, at which time it would be reviewed.
- 5.12 Two parishes initially expressed an interest in introducing their own schemes but regrettably one decided that it was not feasible for contractual reasons for it to do so at the current time. The idea has not been abandoned and kerbside collections may be introduced in that parish at a later date.

- 5.13 The other parish in question (St Pierre du Bois) sought tenders for the fortnightly collection of recyclables from all households in the parish for the last six months of 2008. One tender was received but when the proposal was put to parishioners they voted against increasing parish rates to fund such collections.
- 5.14 Torteval also contacted the Department to find out more about the practicalities of having kerbside collections but following informal discussions the parish has indicated its preference for a centrally organised and funded scheme.
- 5.15 The Department appreciates that if parishes introduce such collections there are concerns that parish rates will increase and that parishioners may not be willing to bear such increases.
- 5.16 It should be borne in mind, however, that as black bag waste decreases, parishes incur lower tipping charges at Mont Cuet. Therefore the more successful kerbside collections are, the more potential there is for the parishes to make savings, which in turn could be used to cover some of the cost of kerbside recycling, thereby minimising the cost to parishioners.
- 5.17 The fact remains that the Public Services Department is unable to fund this service from within its existing budgetary provisions. The reality is that such schemes, which have an important part to play in preserving space in the Island's landfill site, can only be provided at a cost and that cost has to be met either through general taxation or from parish rates.
- 5.18 In this context it is perhaps encouraging to note that the results of a survey taken during the first scrap metal recycling weekend at Longue Hougue indicate that the majority of Islanders questioned would be prepared to pay slightly higher parish rates in order to be included on a kerbside collection round.
- 5.19 Ultimately the residents of each parish will decide whether they are prepared to accept a small rise in rates for the convenience of a doorstep collection of recyclable materials. However, the Department believes that if landfill space is to be saved and recycling targets met then it is crucial that kerbside collections are introduced across the Island without undue delay.
- 5.20 In order to expedite the introduction of Island-wide kerbside collections, the Department has been looking at different options for taking the matter forward. In view of the fact that it does not have sufficient budget to run a scheme costing in the region of £1m per annum, and given the seeming reluctance of parishes/parishioners to introduce their own schemes, the Department is looking for other ways to tackle the issue.
- 5.21 One suggestion has been the provision of funding to the parishes to enable them to run their own centrally funded schemes, on the understanding that the total "grant" would be considerably less than the £1m estimated to run a central

scheme. The Department will be giving serious consideration to this and other suggestions in the hope that a workable solution may be found.

6.0 Rationalisation of Bring Banks

6.1 Bring banks exist on the Island for the collection of paper, cardboard, plastic bottles, tins, drinks cans, glass bottles and clothing/textiles. The bins are sited at 59 locations on the Island, although not every location has space to accommodate a bring bank for all the above materials. There are, however, 8 “super sites” where all types of recyclables can be deposited. A list of all the sites is attached as Appendix One.

6.2 The bring banks play an important part in recycling, as can be seen from the figures attached in Appendix Two, which indicate the tonnages of different materials collected during the period 2000-2007. It can be seen that there has been a steady rise in the total tonnage of household waste recycled annually over the period in question, with most categories also showing an increase on the 2000 tonnages. Metal recycling is showing a large increase for 2007 because of the free metal recycling weekends organised by the Public Services Department throughout the year, further details of which are included later in this report.

6.3 These tonnages are used to calculate the percentage of household waste that is recycled. Total household waste recycled is calculated by first adding the tonnages of the following recycling streams:

- Steel tins
- Aluminium cans
- Bottle glass
- Paper
- Plastic bottles
- Textiles
- Metals from the skips at Mont Cuet/metal recycling weekends
- Domestic cardboard

6.4 Total household waste produced is then calculated by adding the following tonnages:

- Parish waste
- Bulk refuse collections

- Litter
 - Civic Amenity Site non-recyclables
 - Total household waste recycled (as per the previous list)
- 6.5 The total household waste recycled is then divided by the total household waste produced, which figure is then multiplied by 100 to give a percentage.
- 6.6 Since taking over responsibility for the recycling bring banks, the Public Services Department has sought to create some consistency of appearance between different bins on different sites. For example, some bore old Board of Administration logos whilst others carried obsolete telephone numbers.
- 6.7 In July 2007 the Department carried out a detailed survey of all the Island's bring banks with a view, where possible, to rationalising their use and standardising their appearance.
- 6.8 Following that survey, new signage was put in place on the bring banks to ensure that they all have the same "image". The opportunity was also taken to ensure that all bring banks are clearly denoted as being for household use only to deter commercial abuse, which had been a problem.
- 6.9 Members of the public who were approached during the survey raised concerns about the lack of litter bins in which to dispose of plastic carrier bags or other containers used to transport recyclables to the site. As a result of this feedback, the Department has installed a litter bin at each "super site". Regrettably the Department did not have sufficient funds to place a bin at each site, as the costs involved are not only the outlay for the bin but also the costs of having it emptied on a regular basis. At present, the existing bins need to be emptied on a daily basis.
- 6.10 The Department intends to carry out further work on rationalising the bring banks in order to provide capacity where it is most needed, which may include relocating some bins from sites where they are under utilised to locations with heavier use.
- 6.11 It is, however, difficult to achieve effective rationalisation ahead of the introduction of a kerbside recycling scheme. In addition, it will prove impossible to provide extra bins at certain sites owing to space limitations. Notwithstanding this, the Department is monitoring use of the bring banks to ensure that, as far as possible, they are all put to optimum use.
- 6.12 In this respect it is worth noting that the survey identified three sites where recycling bins were located in places where they were not easily accessible to the public. The Department has taken steps to rectify this, in conjunction with

the site owners/managers, and will continue to check that all bins provided for public use remain fully accessible.

7.0 Collection Facilities for Green Waste

- 7.1 In May 2005 the Public Services Department started making skips available at Chouet Headland for use at times when the green waste site was closed. This ensured that the public was able to dispose of such waste throughout the weekends, which is when many people spend time gardening, etc.
- 7.2 From the beginning the skips were subject to abuse, both by commercial operators who took the opportunity to dump their green waste for free at an unsupervised site, and by members of the public who deposited items other than green waste, such as plastic bags and other general rubbish. It therefore became evident that the system of unsupervised skips could not continue.
- 7.3 Notwithstanding the misuse of the skips, the Department was keen to ensure that some sort of facility was available for householders at weekends. It therefore took the decision to open the green waste site from 8 am until 5 pm every Saturday and Sunday. It was not possible to accommodate these additional opening hours without recruiting additional staff and so two part-time employees were recruited specifically for this purpose.
- 7.4 They took up employment on 22 September 2007 and the site has been open at weekends since that date. It has proved very popular and, during the first three weekends of operation, saw an average of over 500 vehicles visiting the site each weekend. Well over 3,000 bags of green waste were collected during this period, although it is inevitable that volumes will fall during the winter months.
- 7.5 The Department is pleased to have been able to find a solution that has enabled it to keep the green waste site open at weekends. Not only has this improved its service to the public but it has also helped to keep green waste from going to landfill or being burnt.
- 7.6 It also proved possible to achieve a cost saving by manning the green site because it was no longer necessary to hire skips for collection of the material, nor to pay haulage fees for the removal of those skips and their contents. The savings realised from this have been used to pay the wages of the additional staff and, even after such outgoings, the cost of the scheme is approximately £9,000 less than it was previously when the skips were in use.
- 7.7 A new shredder has been purchased, which became operational early in 2008. This machine is far superior to the previous equipment, which could not shred material more than about ½” in diameter. As it is able to accept all green waste, approximately 7,000 tonnes of such waste that would previously have been put into Mont Cuet will no longer have to be landfilled.

- 7.8 With this increased capacity, it will prove easier to start composting the green material and the intention is to set up a windrow system. This involves creating piles – or windrows – of green waste, which are then monitored to ensure that optimum temperature, oxygen concentration and moisture content are maintained as the material breaks down into compost. The windrows will be turned from time to time to ensure that air is introduced, thereby ensuring that the process does not become anaerobic, and will also be watered to ensure that composting conditions remain good.
- 7.9 The Department has also looked at the feasibility of carrying out in-vessel composting but currently has no firm plans to introduce it. In-vessel composting takes up a significant amount of space and must take place on an impermeable surface. At present, the Department does not have a suitable site from which to operate such a system but it will keep the matter under review as part of the ongoing project to secure a long-term integrated waste management solution for Guernsey.
- 7.10 In addition to the facilities provided at Chouet, the Department has also continued to provide green waste collection facilities at Martel's Garden World in St Andrews, thanks to the co-operation of the garden centre's management.
- 7.11 This initiative was started by the Environment Department in 2006 and was originally intended to last only until the end of that year. However, it was still operational when the Public Services Department assumed responsibility for recycling in February 2007.
- 7.12 The original scheme was that Martel's allowed skips for household green waste to be sited at the garden centre and the Public Services Department paid for the removal of the green waste, which was then taken to the Chouet site. It did not therefore end up in landfill.
- 7.13 The scheme proved immensely popular with the public, so much so that costs for 2007 increased almost fourfold in comparison with the 2006 costs incurred by the Environment Department. Regrettably, in light of its limited budget, the Public Services Department had to consider whether it could justify continuing to fund this service.
- 7.14 States Members will be aware from media coverage at the time, that the possibility that the scheme might be discontinued caused considerable consternation. Members of the public campaigned to ensure that the skips could remain at Martel's and a petition was organised, which was signed by nearly 2,000 Islanders.
- 7.15 Whilst sympathetic to the public's wishes, the Department did not feel it was viable to continue to spend upwards of £30,000 per annum on this service when facilities already existed for the collection of green waste and there were other recycling issues that needed to be funded.

- 7.16 A round table meeting was held with Skipco and Martel's Garden Centre at which it was agreed that the facility could be retained by means of a public-private partnership. From January 2008 the site has been run and staffed by Skipco, with a modest charge of 50p per bag being levied to users.
- 7.17 In addition, around 500 subsidised compost bins and kitchen caddies will be available from the Island's garden centres from the end of February, priced at £10 each. A publicity campaign will be carried out in the spring to promote this initiative and to encourage the public to compost their own kitchen waste. This follows a successful campaign run two years ago by the Environment Department.

8.0 Dedicated Civic Amenity Site(s)

- 8.1 A Civic Amenity (CA) site is a dedicated area where members of the public may deposit household waste and recyclable items. In the long term the Department intends to set up a permanent CA site, where Islanders can deposit items for recycling and will also be able to remove items left by others for reuse.
- 8.2 It has not yet proved possible to identify a suitable site for such long-term use, although the Department is actively pursuing the matter. However, even after the identification of such a site there will be processes such as planning to be followed as well as potential consultation with neighbours, etc. Consequently, it is likely to be some time before a permanent CA site can be up and running.
- 8.3 The Department is of the view that a CA site is needed at an early stage. Therefore, whilst continuing to investigate the options for a suitable permanent site, it has decided to establish a temporary CA site at Longue Hougue. This will be open and manned at least 6 days per week, thereby providing a convenient outlet for recyclable materials.

9.0 Dedicated Materials Recovery Facility

- 9.1 In addition to the integrated waste management facilities that will be constructed in due course, it has been recognised that if recycling targets are to be met there is a need for certain interim processing facilities.
- 9.2 In 2006 the Treasury and Resources Department sought tenders for the establishment of a temporary Materials Recovery Facility (MRF) at Longue Hougue. Only one submission was received and negotiations with the company in question initially commenced with the Environment Department. In February 2007 responsibility for progressing the matter passed to the Public Services Department, which took over the negotiations.
- 9.3 When tenders were sought it was envisaged that the long-term waste management solution would be a single unit of plant, such as an Energy from

Waste (EfW) facility. In February 2007, however, the States resolved to widen the parameters to include an MBT plant or any other suitable technology that might be put forward.

- 9.4 The Department's technical consultants subsequently advised that if the new facility should be anything other than an EfW plant (i.e. MBT plus EfW or any other solution) more space would be required than originally anticipated and therefore other solutions would be automatically excluded if the temporary MRF was on the site.
- 9.5 In light of this advice, in December 2007 the Department agreed that negotiations in respect of a temporary MRF on the Longue Hougue site should be suspended until such time as the future use of the entire site in connection with a long-term waste management solution is known.
- 9.6 Notwithstanding this, the Department is hoping that it may prove possible to find a different location for a temporary facility and, to this end, is engaging in discussion with key States Departments, including the Environment Department, in the hope that an alternative site may be found.
- 9.7 It is likely that an MRF will form part of the integrated waste management facility that will be constructed at Longue Hougue. Until such time as this solution is in place, an interim MRF would ensure that there is a suitable sorting facility available, thereby minimising the amount of waste that will have to go to landfill.
- 9.8 The Department recognises that for any MRF to be viable it is necessary to ensure that as much waste as possible is diverted to the facility. To date, the only means the Department has had of trying to ensure that waste does not end up in landfill is by charging high rates at Mont Cuét for contaminated loads. (See Appendix Three for current rates.) This does not always achieve the objective of minimising the amount of waste that ends up in Mont Cuét because some commercial operations simply pass such charges on to their clients, rather than sorting their waste.
- 9.9 In the absence of large scale waste sorting facilities it has been difficult for the Department to adopt a "zero tolerance" policy or similar regarding materials destined for Mont Cuét.
- 9.10 When a large scale MRF comes on line it is the Department's intention to introduce a waste transfer note system, which, in broad terms, means that loads will be accepted at Mont Cuét only if they have first been sorted at an "approved" site and issued with a transfer note. Exemptions from this scheme would include parish waste.

- 9.11 In order to prevent abuse of the system, any operator who is found to be attempting to dump a load containing recyclable materials will be faced with appropriate sanctions.
- 9.12 It is anticipated that these measures will prove adequate to ensure a significant reduction in waste entering the landfill site, whilst at the same time guaranteeing a waste stream to the MRF, thereby helping to make it a viable commercial operation.

10.0 Improved Scrap Metal Facilities

- 10.1 In 2006 the Environment Department arranged a number of metal recycling weekends, which were held in different parishes across the Island. Members of the public were able to deposit scrap metal free of charge and the weekends proved very popular.
- 10.2 The Public Services Department continued the idea of free scrap metal recycling weekends throughout 2007 but, rather than having them at different locations across the Island, it chose to hold them all at Longue Hougue. The advantages of using Longue Hougue included the size of the site, which enabled the Department to expand the items accepted, and the fact that it can be fully secured overnight, unlike the various sites around the Island that had been used previously. Holding one event at a single site also meant that it was possible to supervise activities, thereby improving health and safety.
- 10.3 The scrap metal weekends proved extremely popular and the Department was pleased to be able to increase the types of items accepted at each of the first 5 weekends. On the fourth weekend, it introduced a scavenging area, where members of the public could leave items in a reusable condition for others to take away at their own risk. Approximately 120 people took something from the scavenging area during the first 2 weekends of its operation.
- 10.4 During the scrap metal recycling weekends in 2007, approximately 520 tonnes of scrap metal was collected and thousands of Islanders visited the site.
- 10.5 There are, of course, costs associated with the metal recycling weekends and, for 2007, the weekend scrap metal events cost about £35,000. Despite this, the Department is pleased to have been able to reduce costs as the weekends went on by negotiating with local companies regarding the cost of collecting car batteries. Initially the Department had to pay to have car batteries removed but these charges were negotiated down until, by the last recycling weekend, payment was made by the company that removed the batteries.
- 10.6 In view of the fact that a temporary Civic Amenity (CA) Site has been set up at Longue Hougue, it is felt unnecessary to continue the weekend events.

- 10.7 In deciding to stop them, the Department was mindful of the fact that there are existing outlets for unwanted metal items, which can either be taken to Mont Cuet or collected free of charge under the Bulk Refuse Removal Scheme. Furthermore, the CA Site receives items for recycling and also incorporates a scavenging area. Money saved on the scrap metal weekends will be diverted to this instead.
- 10.8 In considering how best to address the issue of metal recycling the Department looked at what happens in Jersey, where neither the States nor private individuals are charged to dispose of scrap metal.
- 10.9 The scrap yard in Jersey, which takes both scrap metal and old vehicles, is run by a private company, albeit that in the past the States of Jersey have assisted with the purchase of machinery and the restructuring of the business.
- 10.10 The States of Jersey have an agreement with the scrap metal company, which operates an open book policy, whereby a price per tonne is agreed for scrap metal being exported. If, owing to low market values, the company cannot achieve that price, the States of Jersey pay the difference to the company.
- 10.11 Company profits are held in a joint company/States bank account, which is the initial source of any subsidy required. High scrap metal values mean that the States have not had to subsidise the operation in recent years.
- 10.12 At this time the Department has no plans to introduce similar arrangements in Guernsey, although it will continue to review whether its current arrangements to dispose of scrap metal and old cars, which cost approximately £275,000 in 2007, represent the best value for money solution.

11.0 Ongoing Education and Promotion Activities

- 11.1 The Department recognises that in order to ensure that as much waste as possible is recycled, the public have to be made aware of the benefits to the community that recycling can bring. In addition, if people are to be persuaded to recycle, it is important that they can easily obtain information – for example about the suitability of certain materials for recycling and where the nearest bring bank is located. Since taking over responsibility for recycling, the Public Services Department has tried to add to the resources that were already available, and believes that it has been successful in raising awareness of recycling, as indicated by the following.

Recycling Officer

- 11.2 The States agreed in February 2007 that the post of Recycling Officer, previously an Environment Department contract post, should be made a permanent Established post and that responsibility for the post should be transferred to the Public Services Department.

- 11.3 By effecting a “trade-off” from within its existing Establishment, the Department was able to recruit a Recycling Officer with no resultant increase in States’ Establishment overall.
- 11.4 The Recycling Officer commenced his duties in July 2007 and is now working with the community to educate and advise about recycling. He has delivered a number of talks to different branches of the Women’s Institute as well as visiting schools and other establishments.
- 11.5 In addition, he co-ordinates the activities of the Guernsey Recycling Advisory Forum and is on hand to give advice to members of the public and businesses who have recycling queries.

Information Line

- 11.6 On taking over responsibility for recycling, the Department soon began to receive numerous enquiries every day about similar issues. Therefore it decided to set up an information line that could be used to obtain details of tip opening times, recycling outlets, etc.
- 11.7 The information line (tel. 12077), which became operational on 1 September 2007, provides quick and easy access to information regarding Landfill opening times and charges, the Bulk Refuse Scheme, the disposal of scrap metal and other materials that cannot be taken to the Island’s bring banks, and recycling bring bank locations.
- 11.8 During the first 3 months of its operation, the information line was called 162 times, which is especially good in view of the fact that the number has not yet appeared in the telephone directory.
- 11.9 As the line is fully automated, callers do not have to wait until a member of staff is free to have their queries answered. Also, the availability of the line is not restricted to office hours, which means that information can be accessed during the evenings and at weekends.
- 11.10 It is a simple matter to change the content of the messages, and this degree of flexibility means that the Department is able to respond to events, etc. as necessary.

Recycling Logos

- 11.11 Thanks to the efforts of the community, Guernsey’s recycling figures are increasing. In an attempt to publicise this and, it is hoped, encourage further recycling, in October 2007 the Department introduced logos on some of its States Works vehicles.

- 11.12 The logos consist of the current recycling percentage plus a reminder of the 50% target and a message which reads “Well done Guernsey”. Although a simple concept, it is hoped that these logos will help to keep recycling in the forefront of people’s minds. As the recycling percentage increases, the logos will be altered to reflect this.

Information Leaflet

- 11.13 The Department is in the process of producing a new recycling information leaflet, as the helpful publication issued by the Environment Department is now out of date.
- 11.14 Given the fact that new initiatives, such as a Civic Amenity Site, are in the pipeline, it is anticipated that this leaflet will have to be altered in due course. This is inevitable when the Department is constantly looking for additional affordable ways of moving closer to the 50% recycling target. However, the Department believes it is important to ensure information is readily available in the community and, rather than printing many copies of one leaflet which will inevitably end up out of date, intends to do several shorter print runs but add to the information each time.

Site Visits

- 11.15 Although not a new initiative, 2007 saw an increase in the number of conducted school visits to the Department’s main waste management sites. Presumably the greater interest in seeing the sites has come about as a result of increased awareness of waste and recycling matters.
- 11.16 The Department has been fortunate to secure sponsorship from a local company, which has paid for the leaflets that are handed out during such visits and has also purchased personal protective equipment for schoolchildren to wear whilst touring the sites.

12.0 Existing Facilities/Initiatives

- 12.1 Whilst the main purpose of this report is to update the States on progress made since February 2007, it may nevertheless be helpful to consider briefly some of the many initiatives that were in existence at that time and which have continued to operate successfully since then.

Paper, Cardboard and Plastic

- 12.2 Facilities for recycling plastic bottles (PET), paper and cardboard are provided by Mayside Recycling under terms originally agreed by the Environment Department.

- 12.3 In 2006 (the most recent year for which figures are available) the recycling of these materials cost the States approximately £213,000. During the year, 2,700 tonnes of paper were recycled; 1,100 tonnes of card; and 75 tonnes of plastic. (The cardboard figures relate only to cardboard deposited by the public in bring banks.)
- 12.4 Since February 2007 the Public Services Department has worked with Mayside to address some of the issues associated with the collection of these materials, such as certain collection bins (particularly for cardboard) regularly overflowing.
- 12.5 This particular issue was largely overcome through, first, increased publicity given to the fact that the bring banks are for household use only and, secondly, changes to Mayside's emptying schedules. The Department is pleased to note that the problem appears to have been alleviated through this dual approach.
- 12.6 In recognition of the important role that cardboard, plastic and paper recycling will play in helping the Island to reach its recycling target, the Department has entered into a 5-year contract with Mayside for the collection and processing of dry recyclables.

Aluminium Cans and Steel Tins

- 12.7 Aluminium drinks cans and steel tins continue to be collected from bring banks by States Works Department. The arrangement works well and the Department has no plans to change it.
- 12.8 In November 2007 States Works was presented with an award of excellence by Novelis, world leader in the recycling of used aluminium beverage cans, for having consistently produced high quality aluminium cans for recycling since 1991.
- 12.9 The initial processing of such items prior to shipping formerly took place at Bulwer Avenue. However, in the New Year those operations were relocated to the waste separation facility at Fontaine Vinery. This has several advantages.
- 12.10 First, a saving will be realised because the lease on the Bulwer Avenue premises has been given up. In 2006 the net cost of recycling aluminium and steel (a total of about 144 tonnes of material) was approximately £102,000. Any reduction in that figure is to be welcomed, as it means that additional funds will potentially be available for other recycling initiatives.
- 12.11 Secondly, as there is a weighbridge at La Fontaine, it is proving much easier to accept commercial quantities of such materials for recycling. With improved facilities in place, the Department is able to give further consideration to ways in which recycling of commercial waste products can be achieved.

- 12.12 It is keen to make it more attractive to businesses and hauliers to take commercial quantities of recyclates to La Fontaine rather than disposing of them at Mont Cuét and is looking at ways in which they can be encouraged to use La Fontaine, including financial incentives to do so.

Promotion of Real Nappies

- 12.13 In 2006 the Environment Department, in an attempt to encourage the use of reusable cloth nappies, introduced a £20 voucher towards their purchase, which was available to parents and expectant parents. The Public Services Department took over the scheme this year and initially extended it to December 2007, when it was extended again to run indefinitely and the voucher value increased to £35..
- 12.14 As well as providing some financial assistance, the Department has also actively promoted “Real Nappy” coffee mornings in a further attempt to dissuade parents from using disposable nappies, which inevitably end up in landfill, where they take many years to break down.

Other Existing Initiatives

- 12.15 There are too many ongoing initiatives to be able to mention each one individually but the foregoing gives an indication of the many ways in which Islanders are able to recycle a variety of items. Appendix Four shows the full list of recycling routes available in the Island at the current time.

13.0 New and Future Initiatives

- 13.1 In order to meet the recycling target set by the States, the Department recognised at an early stage that it would be necessary to seek to introduce new initiatives wherever possible. This section outlines some initiatives that were introduced in 2007 as well as others that are planned for the future.
- 13.2 Included in this section are some initiatives which were not started by the Public Services Department but which it has supported in different ways. Such initiatives demonstrate the willingness of other parts of the community to become involved in recycling, something that is applauded by the Public Services Department, and in which it is happy to participate where possible.

Glass Recycling

- 13.3 As well as collecting drinks cans and steel tins, States Works also collects bottles from the various bottle banks around the Island.
- 13.4 It used to be the case that all the glass collected – i.e. brown, green and clear – was shipped off the Island for recycling. The net cost of shipping the brown and green glass was approximately £36 per tonne, although the costs associated with

the recycling of clear glass were lower, as recycling companies pay a higher price for it. The Environment Department therefore introduced crushing of coloured glass.

- 13.5 In 2007 the Department entered into an agreement with Ronez Ltd, initially on a trial basis, whereby Ronez takes stockpiles of crushed coloured glass and, after further crushing, uses it as backfill for the company's work on Guernsey roads. The trial went well and the arrangement is therefore set to continue.
- 13.6 There are a number of advantages to this. In the first place, initial savings of approximately £24 per tonne have been realised. These savings can now be used to fund other initiatives.
- 13.7 In addition, there are environmental benefits associated with this system because less glass will be being transported to the UK, plus Ronez will not have to import the same quantities of granite dust. Thus, the size of the Island's carbon footprint has been reduced.
- 13.8 As it is no longer necessary to separate green glass from brown glass, it has also made recycling easier for individuals. Clear glass still has to be separated, as it continues to be shipped off-Island for recycling, owing to the fact that a better price is received for the material. In addition, the Department is of the opinion that it may be beneficial to maintain this established link with a UK recycling body.

Litter Bins in St Peter Port

- 13.9 In a further attempt to make it easier for people to recycle, in September 2007 the Department installed a new type of litter bin in St Peter Port. The new bins consist of a standard litter bin with a further receptacle on the side for plastic bottles. The intention is progressively to replace the old "standard" bins with the new style of bin as they reach the end of their useful lives.
- 13.10 The Department was fortunate to receive sponsorship for two of the bins, as a direct result of which additional bins were purchased. In times when States' budgets are increasingly tight, the Department is particularly grateful for such support and believes it will have to seek further sponsorship/income opportunities if it is to continue to deliver additional recycling initiatives.

Household Battery Recycling

- 13.11 In August 2007 Mondomundi set up a battery recycling scheme locally, which the Department has supported and promoted.
- 13.12 The scheme involves members of the public obtaining special bags from Mondomundi shops (one in St Martin's and one at the Airport), into which they

place used batteries. The bags can then be returned to either shop or taken to Lucas Freight, which ships them to the UK for recycling.

- 13.13 The Department's Recycling Officer attended the launch of the scheme and helped to promote it at that time. Since then, the Department has included bins for household battery collections at two of its free metal recycling weekends in a further attempt to publicise the scheme and encourage people not to throw away used batteries.
- 13.14 At the metal recycling weekends a total of about 65kg of batteries was collected. To date, approximately 150kg of batteries have been collected since the start of the scheme, which is a clear indicator of the enthusiastic take-up of this initiative.

Ecycle

- 13.15 Although not a Public Services Department initiative, the introduction of Ecycle by the Guernsey Press is worth mentioning on account of the contribution it has made to reducing the number of items sent to landfill.
- 13.16 The system is both simple and free of charge, which are good incentives to maximise its use. Guernsey Press readers can list unwanted items both online and in the Press and any interested parties can make arrangements to take them away for reuse on the understanding that no payment changes hands.
- 13.17 The online instructions about how to use Ecycle include direct references to the amount of material being sent to landfill and the need to reduce it, which is helpful as it keeps such matters in the public consciousness.

Tetra Pak Recycling

- 13.18 From spring 2008 it will be possible for Islanders to recycle juice and milk cartons thanks to an initiative being sponsored by Tetra Pak in the UK.
- 13.19 Tetra Pak will provide the Island with bring banks free of charge and will fund their collection and shipping for a 2-year period.
- 13.20 Mayside Recycling has agreed to collect and bale the cartons, as it is the only operation on the Island with the equipment needed to do the baling. The company is already involved in the recycling of cartons in the UK but will not commence the Guernsey initiative until after it has moved to its new premises, which move is anticipated at the end of March 2008.
- 13.21 Once again, this initiative is possible largely because it does not involve any expenditure for a two-year period. Given the uncertainty over future funding, the Department cannot at this point commit to any continuation of this recycling

stream beyond 2010, although it very much hopes that it will prove possible to carry on beyond that date.

Expanded Polystyrene (EPS)

- 13.22 EPS is widely used as a packaging material and as containers for chilled items. When discarded, it takes up considerable space in landfill because of its properties of being lightweight and expanded.
- 13.23 Technology now exists that can densify the material by up to 85%, thus making it a viable option to store and transport because of the significantly reduced volume. The densified material when processed has an outlet for re-use as a hardwood substitute but also has a high calorific value, meaning that it could potentially be used as refuse derived fuel in energy from waste plants.
- 13.24 Discussions have commenced with a UK company that is interested in taking Guernsey's polystyrene waste after suitable processing.
- 13.25 The cost of acquiring the machinery needed to process the EPS is approximately £30,000. However, the EPS currently has a value of £150-£175 per tonne. It is estimated that Guernsey would produce up to 5 tonnes of processed EPS each month, which represents a revenue stream of £750 to £875 per month, some of which would have to be used to cover shipping costs, which are estimated to be approximately £5,000 per annum, leaving a surplus of approximately £5,000.
- 13.26 Discussions are ongoing and it is hoped that it will be possible to set up a scheme for recycling EPS but, as with other initiatives, this is going to depend on appropriate funding being available.

Waste Wood

- 13.27 The Department is keen to establish a recycling route for wood and has looked at various options. However, the main challenge it faces is that a high proportion of waste wood has been treated with chemicals, thereby limiting the use to which it can be put. Notwithstanding this, the Department will continue to look into this with a view to finding a solution that ensures that waste wood does not have to end up in landfill.
- 13.28 In fact, a company has approached the Department with details of a recycling scheme for waste wood. In principle the idea seems sound but to date it has not proved possible to identify a suitable site for such an activity to take place at the present time. Once again, the identified site for such activities is at Longue Hougue as part of a composite waste treatment facility. However, for the reasons discussed above, it is not possible in advance of determining the nature of the end treatment facility, to let areas of Longue Hougue. Whilst accepting that it cannot influence the Environment Department's planning decisions, the Public Services Department has nevertheless made the Environment Department aware

of the significant problems that are faced by companies/individuals seeking to carry out waste management and recycling activities in Guernsey and it is hoped that it might prove possible for sites to be found for such use in the future.

Plastic Bags

- 13.29 Plastic bags have attracted much media attention recently, both locally and nationally. Concerns have been raised about their continued use in such high numbers because many end up in landfill, where they do not break down easily. In addition, because they are very lightweight, they tend to blow around, thereby causing a litter problem. Many end up in the sea, where they pose a serious danger to marine wildlife.
- 13.30 Some jurisdictions have placed a tax on plastic bags (e.g. Ireland), whilst others (e.g. Modbury) have banned them completely.
- 13.31 The Department recognises the problems posed by the community's high use of plastic bags and has discussed the matter with representatives of the retail industry. Many stores have already introduced initiatives to try to ensure a reduction in plastic bag use locally.
- 13.32 For example, Checkers and the Guernsey Press jointly sponsored the promotion of jute shopping bags, whereby 50p from each one sold was donated to an environmental project. For some time the Co-Op has donated 1p to Les Bourgs Hospice every time a customer re-uses a plastic bag. In addition, it has now introduced a bag free day on the last Thursday of every month. Most food retailers sell "bags for life" and encourage customers to use them in preference to disposable plastic bags.
- 13.33 The Department is not in favour of introducing a tax or a ban on plastic bags at this time. Its preferred approach is to educate people about the environmental repercussions of high plastic bag use and persuade them to use an alternative wherever possible.
- 13.34 To this end, the Department was pleased to support a Guernsey Climate Action Network (G-CAN) initiative designed to minimise the use of plastic bags. In consultation with G-CAN and the Chamber of Commerce, the Department issued questionnaires to all food retailers seeking to establish the number of plastic bags used in 2007, together with the number of "bags for life" that were sold during the same period. Statistics will also be collected for 2008 for comparative purposes.
- 13.35 The Department will continue to liaise with the retail industry and G-CAN to think of ways to discourage excessive reliance on plastic bags in Guernsey.

States of Guernsey – Use of Recyclable Materials, etc.

- 13.36 Given that the States of Guernsey has set the recycling target of 50% by 2010 and, primarily through the Public Services Department, is devoting considerable resources to encouraging the community to recycle as much as possible, the Department firmly believes that States Departments should lead by example.
- 13.37 In an attempt to do just that, the Department has, in liaison with the Government Business Unit (responsible for management of Sir Charles Frossard House) ensured that all plastic cups provided for use during meetings in the building are recyclable.
- 13.38 The Department is also working with the Government Business Unit to identify other ways in which materials used in Sir Charles Frossard House may be recycled.
- 13.39 Many States Departments already take recycling seriously but, ideally, the Department would like them all to have recycling policies and “green” procurement policies, such as ordering only recycled paper and other environmentally friendly products.
- 13.40 The Public Services Department hopes that all Departments will give serious consideration to how they might lead by example in matters of waste management and recycling.

14.0 Charges

- 14.1 In view of the fact that it is keen to encourage the community to recycle its waste, the Public Services Department does not consider it appropriate to levy charges for recycling activities by individuals, despite the fact that there are costs associated with recycling activities, some of which are considerable. Rather, its approach has been to try to make it more expensive not to recycle – i.e. the “polluter pays” principle.
- 14.2 To this end, whenever new recycling routes are established, such as when a route for oil filters was introduced in 2007, the Department adds the item in question to its list of contaminants, which means that anyone trying to dispose of such material at Mont Cuet will have to pay the contamination rate, which is currently £180 per tonne, as opposed to the standard rate of £120 per tonne.
- 14.3 This helps to ensure that recyclable materials are diverted from landfill and also assists the business that has created the recycling opportunity by encouraging tip users to go to the appropriate outlet.
- 14.4 It should not, however, be assumed that the full amounts quoted above are received by the Public Services Department. £75 per tonne is, in fact, a surcharge which is being used to pay off the loan taken out to cover the costs

associated with the aborted procurement of an energy from waste plant during the period 2002-2004.

- 14.5 Therefore £75 per tonne of the standard and contaminated rates received at Mont Cuet is paid directly to the Treasury and Resources Department to reduce the balance of the loan. Notwithstanding this, now that the balance of the loan has reduced significantly, the Public Services Department is pleased to note that some of the surcharge income is being made available to it. For 2008 a sum of £351,000 has been allocated for waste strategy initiatives, with a further £380,000 being budgeted to offset the anticipated reduction in income at the landfill sites as the effects of successful recycling activity continues to be felt. It should be noted that if the Island is to continue to build upon its initial success in this respect, expenditure will continue to rise.
- 14.6 The surcharge was introduced gradually over a 3-year period, starting with £25 per tonne, then £50 and now the current level of £75. There are currently no plans to increase the surcharge further.

15.0 Residual Waste Management – Long-term Solution

- 15.1 In February 2007 the States resolved as follows:

“To agree to seek competitive tenders for the design, build and operation of either

- (a) A Mass Burn Energy from Waste Facility, or*
- (b) A Mechanical Biological Treatment plant coupled to an Energy from Waste facility, which facility may be a Mass Burn or Advanced Thermal Treatment plant*
such facilities, whether through procurement of successive modules or not, to have the capacity to deal with the waste arisings to be endorsed, but that tenders for any, or any combination of, MHT, MBT and ATT should also be considered.”

- 15.2 It was further resolved:

“To direct the Public Services Department to appoint engineering and legal consultants to assist with the preparation and issue of tender packs, the assessment of tenders and post tender negotiation.”

- 15.3 The Public Services Department has appointed TodsMurray as its legal consultants and Ramboll, in conjunction with AEA Environment and PH McCarthy, as engineering/technical consultants.
- 15.4 A Project Team has been established, comprising officers from the Public Services, Environment and Treasury and Resources Departments in addition to a

Project Board, which includes political representation from the aforementioned Departments plus the Commerce and Employment Department.

- 15.5 The Project Team and Project Board will be holding regular meetings with the consultant to ensure that the project is progressed in a timely fashion and in due course the matter will be referred to the States again for approval of the tender specifications.
- 15.6 Currently it is estimated that tender documents for the long-term solution will be with the Department by the end of 2008 and that the successful tenderer will start work on site in late 2009/early 2010.

16.0 Conclusions

- 16.1 It can be seen that since taking on responsibility for waste management and recycling the Public Services Department has made progress in many important areas. This is borne out by the fact that the recycling figures increased from about 26% to over 31% during 2007.
- 16.2 Nevertheless, the Department recognises that if it is to build on this initial success, and in particular if it is to attain the target of 50% recycling by 2010, it will need to look for new initiatives. Indeed, as can be seen from the foregoing, it is already looking into several new areas.
- 16.3 However, it will only be able to achieve a significant increase in recycling figures if appropriate funding can be made available. The Department does not consider it appropriate to charge the public to recycle, which means that such activities must be funded by other means – either from General Revenue funds or through sponsorship or other means of financial assistance.
- 16.4 The funding situation is not helped by the fact that the more successful the Island is in respect of recycling, the less material ends up in landfill, which means that the Department's income falls at the same time as its costs increase.
- 16.5 This is further compounded by the fact that as recycling rates increase it becomes more difficult and more expensive to increase them further. In other words, the cost per tonne of recycling increases as the 50% target draws nearer.
- 16.6 The Department recognises that careful prioritisation of expenditure is necessary and, to date, has given careful consideration to the benefits of any initiatives before committing to any expenditure on them. Notwithstanding this, the Department anticipates that there will come a time when it simply cannot take forward any further recycling activities in the absence of suitable funding to support them.

17.0 Recommendations

- 17.1 The Public Services Department recommends the States to note the contents of this report.

Yours faithfully

William M Bell
Minister

Appendix One
Recycling Sites 2008

Location	
Airport F B	
Alliance	
Badminton Hall	
Beau Sejour	
Biloterie Camp Site	
Blanc Bois Nursing Home	
Blancheland College	
Bordeaux	
Bucktrouts B & Q	
Bucktrouts WH	
Bulwer Avenue	
Cobo	(S)
Elizabeth College	
Forest Stores	
Gas Company Car Park	
Grande Rocque	
Hampshire Lodge	
Jerbourg Car Park	
KG 5	
Lande du Marche Garage	
Last Post	
L'Eree Car Park	(S)
Les Butts	
Les Cordeliers	
Les Rocquettes	
Longfrie Car Park	(S)
Manor Stores	(S)
Mare De Carteret School	
Mont Cuet Headland	(S)
North Beach	
PEH Car Park	
PEH Incinerator	
Pembroke	
Perelle Garage	
Pony Inn	
Port Soif	
Prison	
Randalls	
Rockmount	
Safeway	(S)
Salerie Corner	(S)
Saumarez Park	
Scout Headquarters	
Southside	
Specsavers	
St Martins Co-Op	
St Martins FC	
St Martins Riding School	
St Mary & St Michael School	
St Peters Post Office	
St Pierre Park	
Stamper's L'Islet	
The Bowl	
The Cart Track	
Town F B	
Vazon	(S)
Venture Inn	
West Britain Legion	
Wine & Beer Importers	

Total Locations	59
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Type of Material	Number
Aluminium & Steel	91
Amber Glass	48
Clear Glass	64
Green Glass	74
Clothing Bank	18
Paper	42
Cardboard	20
Plastic	19

Total	376
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(S) = "Super Site"

Appendix Two**Household Recycling Figures 2000-2007**

MATERIAL	2000	2001	2002	2003	2004	2005	2006	2007 Projected
Non-Ferrous Cans	21	25	24	12	27	20	70	93
Ferrous Cans	108	69	100	72	61	62	74	89
Bottle Glass	1,039	1,045	1,165	1,223	1,241	1,276	1,589	1,693
Paper	1,741	1,874	1,960	2,138	2,305	2,416	2,704	3,035
Plastic Bottles	N/A	N/A	N/A	N/A	N/A	N/A	75	164
Textiles	203	222	253	249	262	310	374	405
Metal from Civic Amenity Site	68	91	109	153	153	127	195	738
Cardboard (Domestic only)	N/A	85	110	67	80	125	1,213	1,311
TOTAL HOUSEHOLD WASTE RECYCLED ANNUALLY	3,180	3,411	3,721	3,914	4,128	4,337	6,295	7,530

Appendix Three

WASTE DISPOSAL CHARGES 2008 & DEFINITIONS OF WASTE

The Public Services Department currently operates four waste disposal facilities for different types of waste:

1. Mont Cuet Landfill Site:

Household, Industrial & Commercial waste, and other wastes with no other disposal or recycling route, such as green waste (>½” diameter), litter, building waste, etc. Special Wastes are also disposed of at Mont Cuet, including animals, asbestos, contaminated spoil and chemicals. Specific arrangements are required for the disposal of these wastes.

In order to preserve void space at Mont Cuet Landfill Site and encourage recycling, certain types of waste should not be included in loads delivered to Mont Cuet Landfill Site. Loads containing these waste types are classified as ‘Contaminated’, with a higher charge rate applied. No loads will be reloaded after disposal at Mont Cuet.

2. Longue Hougue Reclamation Site:

Inert Waste, substantially free of vegetation.

3. Chouet Horticultural Site:

Non-commercial green waste of less than ½” diameter. Free disposal.

4. Fontaine Vinery Waste Segregation Facility.

Mixed loads of Industrial & Commercial waste not containing putrescible or special waste. Open to account holders only.

LANDFILL CHARGES:

<u>Mont Cuët:</u>	<u>2008</u>	<u>2007</u>
Standard Rate*	£120.00/tonne	£115.00/tonne
Contamination Rate	£180.00/tonne	£172.50/tonne
Commercial Green Waste (<1/2 inch):	£15.70/tonne	£15/tonne
Inert Waste	£240.00/tonne	£230.00/tonne
Non-Notifiable Pre-sorted Special Waste	£120.00/tonne	£115.00/tonne
Notifiable Special Waste	£240.00/tonne	£230.00/tonne
Private Householder Waste	£1 per bag	£1 per bag

Longue Hougue:

Standard Rate	£10.50/tonne	£10.00/tonne
Reload Charge	£15.00	£15.00
Private Householder Waste	£1 per bag	£1 per bag

Waste Segregation Facility:

Standard Rate	£120.00/tonne	£115.00/tonne
Reload Charge	£50.00	£50.00

*This includes a £75 surcharge payable to Treasury and Resources, leaving the balance of £45 per tonne (at 2008 rates) for the Public Services Department.

Minimum Charges (For all weighed loads – All Sites):

Green Waste	£10.00	£10.00
All Other Waste	£10.00	£10.00

WASTE DEFINITIONS:

Waste Category	Definition
General Waste	<p>Household, Commercial & Industrial Waste, delivered by contractors using skips, tip loaders or refuse compactor trucks, or by private householders. The waste should be substantially free of items that have alternative recycling or disposal routes.</p> <p>Charged at the Standard Rate</p>
Contaminated Loads	<p>A Contaminated Load is defined as a Standard Waste load that contains items or materials that have an alternative recycling or disposal route, and which the Board of the Public Services Department has deemed should be classified as 'Contaminated'. These items or materials are namely:</p> <p>Tyres, Small amounts of inert waste, Metal, Corrugated cardboard, Pallets (Wood and Plastic), Commercial quantities of waste paper, Commercial quantities of clear polythene/plastic film, Oil Filters.</p> <p>For a load to be classified as a Contaminated Load, landfill operators should assess the load. The amount of the named items or materials within the load should be sufficient, in the view of the operator, to render the load contaminated. The load should be classed as contaminated if it is clear that the identified items or materials could have been separated from the other waste.</p> <p>In the case of corrugated cardboard, paper and clear plastic film/polythene, a contaminated load classification will apply if clean recyclable material is included in the load. The disposal of Cardboard, Paper or Plastic contaminated or spoiled prior to, or during collection, will only be accepted by prior approval. Please contact the Public Services Department, Waste Services Section on 01481 717000.</p> <p>Charged at the Contamination Rate.</p>

Waste Category	Definition
Inert Waste	<p>Inert wastes are classified as wastes that do not undergo any significant physical, chemical or biological transformations following disposal.</p> <p>Inert wastes include soil, stone, hardcore, gravel, sand, glass, concrete and ceramics. Soil should be substantially free of vegetation.</p> <p>Longue Hougue: Charged at the Standard Rate for Longue Hougue.</p> <p>Mont Cuet: Charged at the Inert Waste Rate, including loads with substantial amounts of vegetation.</p>
Special Waste	<p>Special wastes are wastes that are controlled, dangerous, or difficult to treat, keep or dispose of. Because of their physical, chemical or biological properties, these wastes require special provisions for their disposal. Special Waste is split into two categories, either Non-Notifiable Pre-sorted Special Waste, or Notifiable Special Waste:</p>
Non-Notifiable Pre-sorted Special Waste	<p>Bonded Asbestos – delivery to site before 15:30 (weekdays) or 09:30 (Saturdays). Disposal to designated pits.</p> <p>Incinerator ash, either from the PEH Clinical Incinerator or the Cattle incinerator.</p> <p>Sludge from water treatment processing and sewage treatment.</p> <p>Pre-sorted loads containing only Non-Notifiable Special Waste are charged at the Standard Rate.</p> <p>Mixed loads containing these wastes are charged at the Notifiable Special Waste Rate.</p>

Notifiable Special Waste	<p>Fibrous Asbestos– disposal by specialist contractor only, with pre-notification and waste transfer documentation required. Disposed of into a pre-dug pit and immediately covered. Air monitoring is carried out during disposal operations. Fire damaged bonded asbestos is also disposed of in this manner.</p> <p>Animals - any animals that cannot be disposed of at the Cattle Incinerator, typically includes chickens, marine mammals, etc.</p> <p>Chemicals – only specific chemicals can be disposed of in accordance with the site licence. These disposals are only carried out by the Health & Safety Executive, and are deposited into Pre-Dug pits, with treatment applied as required.</p> <p>Chemically contaminated spoil – pre-notification required. Typically this will be spoil contaminated by some form of hydrocarbon. Materials should be tested prior to disposal to assess the concentration of contaminants present. Spoil with high levels of contamination may require remediation prior to disposal.</p> <p>Charged at Notifiable Special Waste Rate.</p>
Green Waste	<p>Garden and Horticultural Waste. All commercial garden and horticultural waste is currently disposed of at Mont Cuet Landfill Site.</p> <p>Charged at the Commercial Green Waste Rate (<1/2” diameter) or the Standard Rate (>1/2” diameter)</p> <p>Private quantities of green waste with a diameter of less than ½ inch can be disposed of free of charge at the Chouet Horticultural Site, or skips located outside that site, or Martel’s Garden World.</p>
Private Householder Waste	<p>‘Black Bags’ or equivalent can be disposed of by private householders at the Mont Cuet Civic Amenity Facility or Longue Hougue (inert waste only). Charged at £1/bag, or equivalent.</p>

Note on Contaminated Loads:











The decision to classify a load as contaminated is made by the landfill operators, who are trained to identify such loads. Photographic evidence will be obtained where possible to back up this decision. An operator’s decision is supported by central management.













Appeals against a contaminated load charge should be directed to the Public Services Department.


















Contaminated Load charges are not applied to loads delivered to Fontaine Vinery, however, should these loads contain ‘black bag’ waste, chemicals, liquids or sludges, hazardous materials, animal wastes, diseased horticultural wastes, contaminated spoil, or special wastes, then a reload charge will be applied.

Appendix Four

RECYCLING AND WASTE DISPOSAL ROUTES

Material	Description		Recommended Disposal Route	Telephone
Aerosols	Aluminium and steel aerosols, please empty and remove plastic tops. Do not puncture.		Green recycling bins for cans located at various sites around the Island, including Cobo, Vazon, Manor Stores, Safeways, Salerie Corner, L'Eree, Longfrie Inn and Chouet. Phone for nearest site.	717000
Architectural Salvage	Fireplaces, wooden doors, roof tiles, timbers, ceramics, old bricks and railings etc		Revamp Recycling	07781 103255
Batteries	Household batteries		Mondomundi / Lucas Freight	235580 / 724480
	Lead acid batteries (i.e. car batteries)		Skip at Mont Cuet Landfill Site (in the Civic Amenity area), for subsequent recycling	245106
			Wastenot Ltd.	716580
			Scrap-It	07781 126250
			Guernsey Recycling Ltd.	245402
Biodegradable waste	Household rubbish and domestic food wastes		Place in dustbin or black sack for collection by the parish or take direct to Mont Cuet Landfill Site	245106
Bottles and jars, tins and cans	Green, clear and brown bottles and jars, household tins and aluminium drinks cans. Please remove labels and ensure all items are clean		Green recycling bins located at various sites around the island including Cobo, Vazon, Manor Stores, Safeways, Salerie Corner, L'Eree, Longfrie Inn and Chouet. Telephone for nearest site	717000
Bulky waste	Bulky household items such as carpets, mattresses, furniture, white goods, oil tanks, etc		Free Bulk Refuse Removal Scheme (see Monday's Guernsey Press page 4 or 7 for an application form, or go on line to www.gov.gg/bulkrefuse)	717227
			Mont Cuet Landfill Site	245106
Cardboard	Domestic - Small amounts segregated from other waste, e.g. cereal packets, food packaging, egg boxes, NO milk or juice/drink cartons.		Blue cardboard recycling banks located at Cobo, Vazon, Manor Stores, Safeways, Salerie Corner, L'Eree, Longfrie Inn and Chouet.	717000
	Domestic - Large amounts, e.g. from flatpicks.		Skip at Mont Cuet Landfill Site (in the Civic Amenity area), for subsequent recycling	245106
	Commercial - All quantities		Mayside Recycling Ltd.	247599
Computers	Computers, monitors and printers		Galaxy Computer Brokers (commercial quantities)	242412
			Guernsey Recycling Ltd.	245402
			Scrap-It	07781 126250
Electrical cable	All types		Scrap-It	07781 126250
Electrical Items (WEEE)	Irons, toasters, kettles etc		Skip at Mont Cuet Landfill Site (in the Civic Amenity area), for subsequent recycling.	245106

End of life vehicles	All Guernsey registered vehicles, except tractors		Free disposal scheme available to registered owners. Forms available from Sir Charles Frossard House or www.gov.gg/bulkrefuse	717227
	Vehicles which do not qualify for disposal under the free Bulk Refuse Removal Scheme		Guernsey Recycling Ltd.	245402
	'Collect and dump' service		Sarnia Autos	07781 126250
Granite	Building stone, lintels, quoins, paving, setts, cubes, flags, crazy paving, pebbles, boulders and rockery stone		Vaudin Stonemasons, La Fontaine Vinery	248316
Green waste	Domestic garden and horticultural waste including cuttings of a maximum diameter of half an inch. No diseased crops or pesticides		Chouet Horticultural Site	245106
Hazardous waste	Garden chemicals, industrial solvents, asbestos, etc		Contact the Health and Safety Executive for advice	234567
Material	Description		Recommended Disposal Route	Telephone
Inert waste	Uncontaminated inert waste including builders' rubble, sand, gravel, stone, etc		Longue Hougue Reclamation Site	249628
	Recoverable inert waste including builders' rubble, concrete blocks, bricks, roof tiles, granite (no wood, asphalt or asbestos)		Ronez Ltd. by arrangement	256426
			Island Waste Ltd. by arrangement	235762
Mobile phones	All unwanted handsets		Wave Telecom Shop, St Peter Port	818181
			Cable and Wireless, St Peter Port	700700
			St John Ambulance (Voluntary), Training Hall, Rohais	727129
Oils	Motor oil		St Peter Port Services, by arrangement	716580
	Vegetable oils			
Oil Filters	Waste oil filters		Total Waste Recycling	07781 426460
Pallets	Wood and plastic pallets		Guernsey Pallet Company	07781 100999
			Wastenot	716580
Paper	White office printer and copier paper		Mayside Recycling Ltd. collects white office paper from businesses. Telephone for details	247599
	Newspapers, magazines, paperback books, telephone directories, envelopes, wrapping paper, etc		Blue paper banks located at various sites around the island including Cobo, Vazon, Manor Stores, Safeways, Salerie Corner, L'Eree, Longfrie Inn and Chouet. Phone for nearest site	247599

Plastic bottles	Household - PET (1) and HDPE (2) clean plastic bottles only, remove lids. No DIY chemicals or oil bottles.		Blue banks located at Cobo, Vazon, Manor Stores, Safeways, Salerie Corner, L'Eree, Longfrie Inn and Chouet.	717000
	Commercial quantities: PET (1) and HDPE (2) plastic bottles only, remove lids.		Mayside Recycling Ltd	247599
Plastic carrier bags	Waste plastic carrier bags		Checkers, Admiral Park - special bins in-store	739600
Plate Glass	Window or greenhouse glass		Longue Hougue Reclamation Site	249628
Polythene	Clean, clear polythene, plastic film and bubble wrap - commercial quantities		Mayside Recycling Ltd.	247599
Printer toner cartridges	Laser and inkjet cartridges		Edgetech Ltd.	729560
			Guernsey Specials Gym Club	238800
Scrap metal	Metal items from domestic users (e.g. bicycles, appliances, etc). Metal in commercial loads may be subject to a contamination charge		Mont Cuet Landfill Site (skip in the Civic Amenity area) for subsequent recycling	245106
	Ferrous and non-ferrous scrap metals		Guernsey Recycling Ltd.	245402
	Ferrous scrap metal		Wastenot Ltd.	716580
	Non-ferrous scrap metal including cable		Scrap-It	07781 126250
Spectacles	All old or unwanted spectacles, collected to support charity		Specsavers Opticians, Market Street, St Peter Port	723530
Textiles	Unwanted clothes, household linen, shoes in pairs, etc		Charity shops or textiles recycling banks located at various sites around the Island including Cobo, Vazon, Manor Stores, Safeways, Salerie Corner, L'Eree, Longfrie Inn and Chouet. Phone for nearest site.	01933 441086
Tyres	Car, lorry and motorcycle tyres		Target Auto Parts	720986
			Sarnia Autos, by arrangement	07781 126250
Water filter cartridges	Brita filter cartridges only		Cartridges can be returned via Freepost address: Brita Recycling, FREEPOST Nat17876, Bicester, OX26 4BR	
Wood	Greenhouse and house timber suitable for recycling (no rot)		Portinfer Timber Yard	254118
	Offcuts of hardwood (such as oak etc.) Logs also accepted.		States Prison workshop	248376
	All other types		Mont Cuet Landfill Site	245106
 Indicates that materials are either completely or partially recovered or recycled. For waste types that do not appear on this list, please contact the Public Services Department on Tel: 717000.				

(NB The Policy Council supports the proposals.)

(NB The Treasury and Resources Department has no comment on the proposals.)

The States are asked to decide:-

XII.- Whether, after consideration of the Report dated 11th January, 2008, of the Public Services Department, they are of the opinion:-

To note the contents of that Report.

HEALTH AND SOCIAL SERVICES DEPARTMENT

PROPOSED GUERNSEY TOBACCO CONTROL STRATEGY 2009-2013

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

14th January 2008

Dear Sir

EXECUTIVE SUMMARY

1. The purpose of this report is to provide an update on the Health and Social Services Department's recent progress in managing tobacco control measures in Guernsey, and to set out its strategy for measures to be implemented over the years 2009-2013, which proposals are detailed in paragraphs 21 - 30 of this report and which form the recommendations.
2. In summary, these proposals comprise:
 - setting a mechanism for increasing rates for excise duty on tobacco products in the future;
 - safeguarding of future budgetary funds for tobacco control initiatives;
 - introduction of pictorial health warnings on cigarette packets;
 - a ban on imports of small cigarette packets;
 - introduction of stricter requirements for securing proof of age at the point of sale of tobacco;
 - a ban on advertising of tobacco products at the point of sale;
 - consideration of the re-introduction of a licensing system for tobacco sellers;
 - support for more rigorous policing of compliance with duty free requirements;
 - future consideration of changes to the Prison Smoking Policy; and
 - future consideration of a ban on smoking whilst driving.

BACKGROUND

3. The possibility that tobacco smoking may have adverse health consequences has been suspected ever since tobacco smoking was introduced into Europe in the sixteenth century. However, it was only in the 1950's that British research suggested a firm link between smoking and lung cancer.
4. Since then, thousands of further studies have firmly linked tobacco smoking with a range of other diseases, including:
 - Ischaemic heart disease and heart attacks
 - Cerebrovascular disease and stroke
 - Aortic aneurysm
 - Artherosclerosis and peripheral vascular disease
 - Chronic bronchitis and emphysema
 - A range of other cancers, including those of the oral cavity, oesophagus, stomach, pancreas, kidney, bladder and cervix.

In all, more than fifty separate illnesses are now thought to be related to tobacco smoking and, of these, some twenty may lead to death.

5. In total, regular cigarette smoking doubles mortality. Half of all adolescents who are now smoking will die from diseases caused by tobacco if they continue to smoke. One quarter will die after 70 years of age and one quarter before, with those dying before 70 losing an average of 23 years of life.

CURRENT SITUATION

6. Despite the decline in the numbers of persons smoking and in the total amounts of tobacco being imported into Guernsey, tobacco smoking remains the biggest single adverse influence on our population's health, contributing towards an estimated eighty deaths annually. Guernsey can, however, be proud of the successful progress it has made in tobacco control over the past fifteen or so years, which is reflected in a steady decrease in the number of tobacco related deaths. Despite this, present estimates are that about 20% of the adult population are still regular smokers, as well as a proportion of children and younger people under 18 years, to whom tobacco sales and gifts are illegal.
7. The World Health Organisation, the European Union, the Department of Health in London and many other jurisdictions around the world all share the concern about the number of people who smoke and are, therefore, working to minimise smoking rates and their adverse health consequences.
8. Compared with fifteen years ago, there is now much more scientific research and evidence based practice on those measures that are likely to be most effective in tobacco control.

9. The Health and Social Services Department (HSSD) is committed to maintaining the momentum of successful tobacco control and to further reducing the poor health and premature mortality associated with tobacco smoking in Guernsey. An inter-professional group, the Guernsey Tobacco Strategy Review Group, was, therefore, convened and asked to review the evidence and to recommend further measures that were likely to be successful in the Guernsey context in further reducing tobacco related disease. The Group's recommendations form the basis of a proposed Guernsey Tobacco Control Strategy for the years 2009-2013.

PREVIOUS STATES INVOLVEMENT IN TOBACCO CONTROL

10. States action to restrict tobacco control dates back to the 'Ordonnance portant défense de vendre, ou de donner aux Mineurs du tabac, des cigars, des cigarettes, ou du papier à cigarettes' (1913). Efforts to control the sales of tobacco continued with the need for tobacconists to be licensed, a requirement that was, however, rescinded in 1979.
11. However, as the mounting weight of evidence on the harmful effects of smoking became better known, the States have further considered the matter in a series of Policy Letters and States Reports. These include:
 - Substance misuse in Guernsey Billet d'État XIV 1993
 - Impact of Advertising and Duty on Tobacco and Alcohol Consumption in Guernsey Billet d'État XII 1996
 - Progress in tobacco control in Guernsey Billet d'État VI 2002
 - Protecting the health of workers and the public against environmental tobacco smoke Billet d'État III 2005
 - Implementing '*Smokefree*' legislation Billet d'État VII 2006

CURRENT MEASURES AIMED AT TOBACCO CONTROL

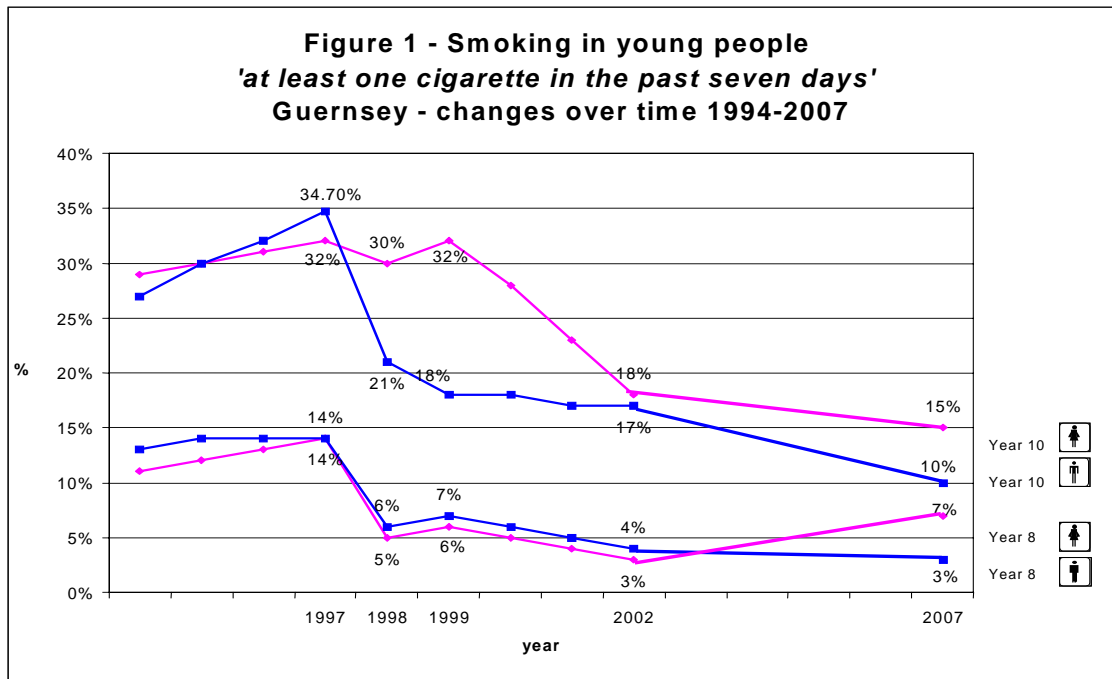
12. As a result of these, Guernsey now has a robust framework to discourage smoking and to protect non-smokers from its effects. The measures include:
 - Reducing the attractiveness of tobacco smoking
 - Advertising and marketing bans
 - Pack warnings
 - Financial disincentives
 - Increase in excise on tobacco products *by at least RPI plus 3% for a minimum* of five years, commencing with the budget proposals for 2003.

- Restrictions and enforcement of ‘duty free’ entitlements
- Health education
 - Including Smokebusters, GASP, ‘Healthy Schools’ initiatives, etc.
- Helping addicted smokers quit
 - Guernsey Quitline
 - *Zyban*, *Champix* and nicotine replacement therapy
- Protection of non-smokers
 - Smoking (Prohibition in Public and Work Places) (Guernsey) Law, 2005.

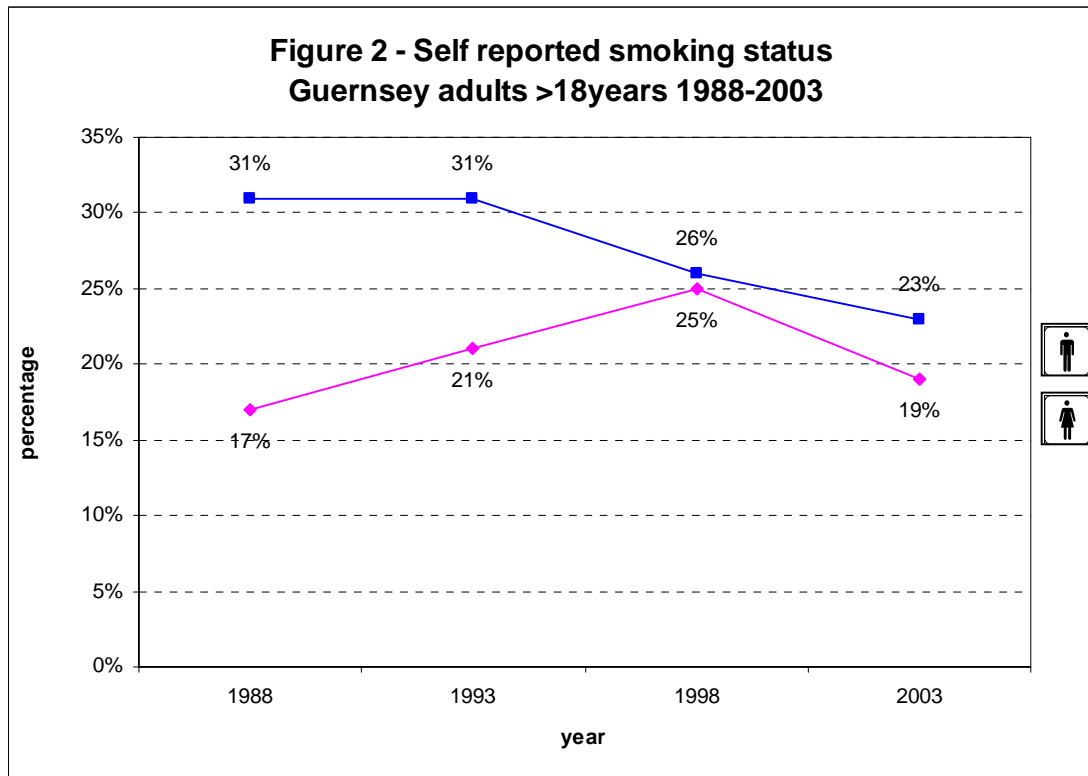
OBJECTIVE OUTCOMES OF THE GUERNSEY SMOKING STRATEGY

13. A number of trends have become apparent in the twelve or so years since the Guernsey Tobacco Strategy was first implemented.
 - i. The Guernsey Youth Survey shows that the number of young persons smoking generally appears to have declined steadily (figure 1). The rise in smoking amongst year 8 girls does, however, cause some concern, and these concerns will become a particular focus for the future activities of the charitable Guernsey Adolescent Non-Smoking Project (“GASP”).
 - ii. The number of adult smokers also continues to decline (figure 2).
 - iii. Guernsey Healthy Lifestyle Surveys show that the vast majority of smokers (around 70%) state they wish to quit. Attendances at Guernsey Quitline have risen steadily, from 511 clients in 2002 to 871 in 2006, a 70% increase over a five year period.
 - iv. As well as more smokers attending Quitline (some for the third or fourth time), overall success rates appear to be better than reported figures from England, with 70-79% successfully still not smoking at one month, reducing to 30-40% at three months. Most smokers appear to require several attempts before succeeding in quitting permanently.
 - v. The total imports of tobacco products continue to decline although it should be noted that this downward trend had commenced prior to the implementation of the strategy (figure 3).
 - vi. The amount of duty free items brought into the island by visitors and returning residents is not known but industry sources suggest this might be substantial. The Customs and Immigration Service has recently agreed to enhance efforts to ensure that visitors and returning residents are aware of their lawful duty free entitlement.

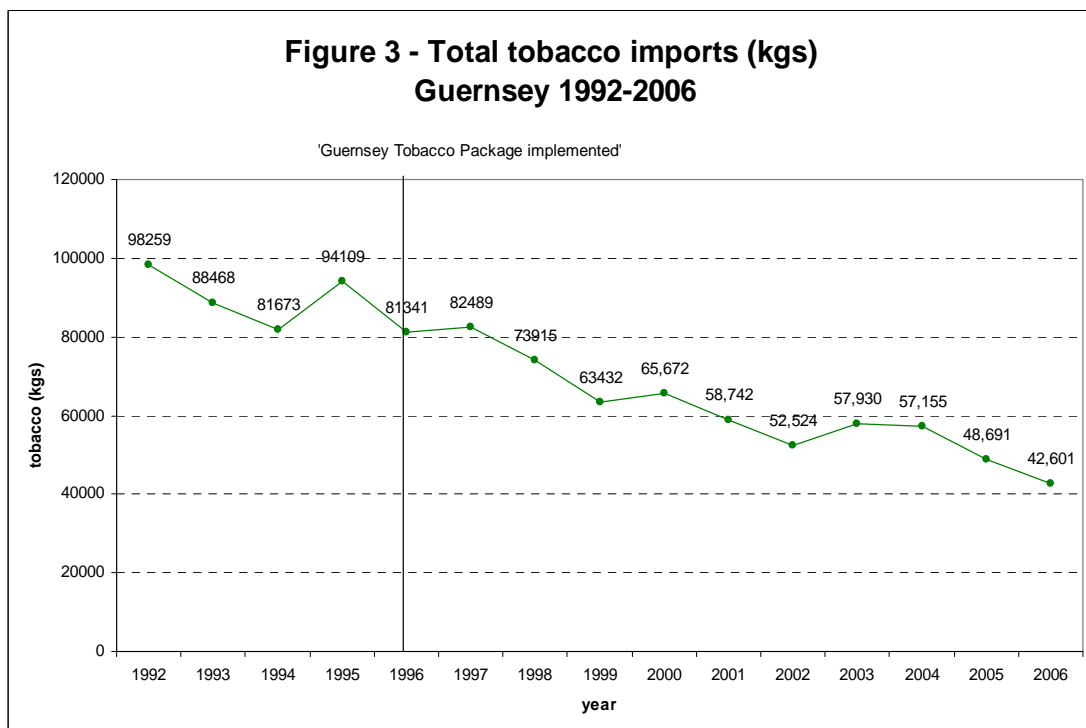
- vii. The number of premature deaths (deaths under the age of 75 years) from diseases known to be related to tobacco smoking has shown a steady decline (figure 4).
- viii. Using the same methodology as used in the 1996 Policy Letter, it can be estimated that around 500 local residents who would otherwise have died from smoking related diseases are still alive and that a huge amount of smoking related disease and costly treatments have also been avoided.



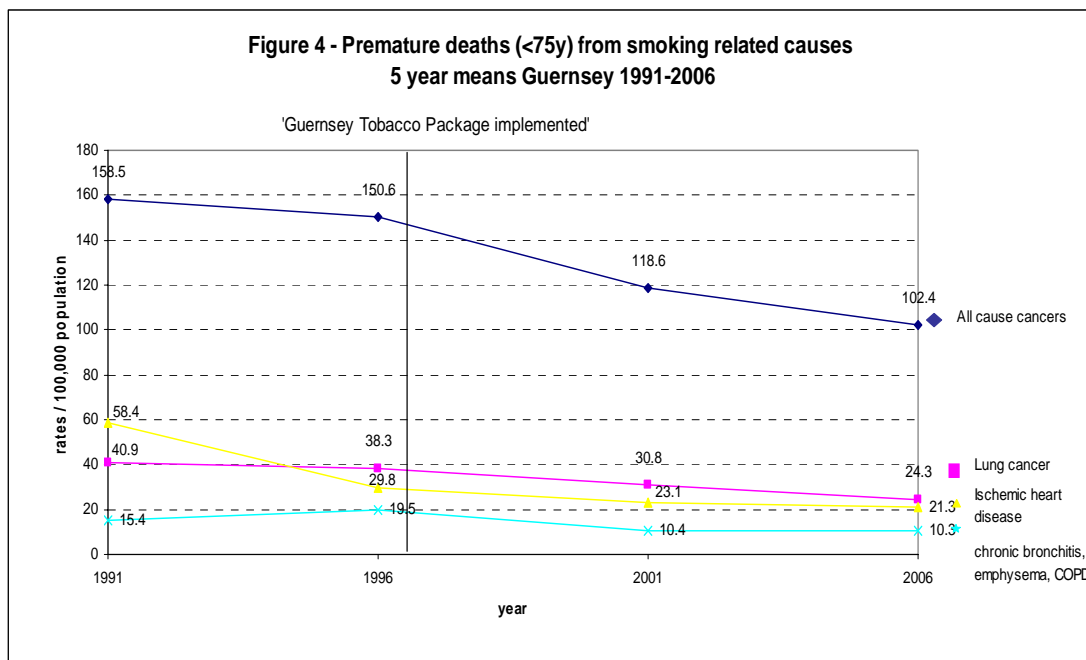
*Source: Schools Health Education Chart 1992-2002
Guernsey Youth Survey 2007*



Source: Guernsey 'Healthy Lifestyle' Surveys, 1998-2003



Source: Guernsey Customs and Immigration 2004



Source: MoH Annual Reports 1991-2006

MAINTAINING MOMENTUM IN TOBACCO CONTROL

14. Since the successful introduction of smokefree legislation in Guernsey, it has become apparent that:
- the majority of the population (who are non-smokers) welcome the opportunity to work and socialise in a largely smokefree atmosphere;
 - the problems predicted by some in the implementation and enforcement of the smokefree legislation have not materialised;
 - a large majority of smokers (around 70%) still maintain that they would like to quit, and the majority of these admit that smokefree work and public places act as an incentive to achieve this;
 - there is strong evidence that children and young people will be less likely to equate smoking with adult behaviour, and will be less likely to commence smoking themselves if they do not experience adults smoking in social and work situations;
 - although the percentage of pregnant mothers who continue to smoke has fallen from 21% of the 640 pregnancies in 2005 to 18% of the 605 pregnancies in 2006, smoking during pregnancy represents an increased risk for the mother, the pregnancy and the baby, and is obviously an area that requires to be further addressed.

THE NEED FOR FURTHER ACTION

15. The reasons why people take up smoking are many and varied, and the highly addictive nature of nicotine makes it extremely difficult for them to quit once they have become addicted.
16. However, given the huge adverse impact of tobacco smoking on population health, there is now an increasing amount of good quality research on effective interventions. These include:
 - a steady rise in price above inflation;
 - warnings that tobacco will continue to become more expensive in real terms;
 - the banning of all cigarette advertising and promotions;
 - effective health education at all stages in life;
 - varying the way the health message is communicated, e.g. rotation of pack warnings, new pack warnings, pictorial pack warnings, etc;
 - support for smoking cessation activities through effective counselling and support;
 - chemical aids to smoking cessation used in conjunction with counselling and support;
 - public policies that assist making healthy choices easy choices;
 - perceptions that smoking is not sophisticated and glamorous as portrayed by the tobacco industry and tobacco placement in films etc, but rather a 'habit for losers'.

THE GUERNSEY TOBACCO STRATEGY REVIEW GROUP

17. Guernsey can be proud to have been in the forefront of tobacco control, ahead of the rest of the British Isles and most other countries in Europe. However, approximately 20% of adults and a lesser number of young people still continue to smoke (the estimated number of regular smokers is 11-12,000 individuals island wide), and the HSSD continues to have to treat the health consequences of this.
18. There were around 50 bronchoscopies performed in Guernsey in 2006, 26 new cases of lung cancer (16M and 10F) diagnosed, 11 patients referred off island for treatment of lung cancer and 32 deaths (15M and 16F), of which 15 (9M and 6F) were premature deaths (less than 75 years).

19. A number of health professionals and others with an interest or knowledge in tobacco control were, therefore, asked to review the current scientific literature and evidence from around the world of successful interventions that would further reduce tobacco consumption. Membership of the Guernsey Tobacco Strategy Review Group is shown in Appendix 1.
20. The Guernsey Tobacco Strategy Review Group reported to the HSSD in September 2007, with a report including some fourteen recommendations. Whilst accepting the report, the HSSD believes that effective tobacco control is not just a health issue but one that affects several other States Departments and requires the support of the States, health professionals and the community more generally. The draft report was, therefore, sent for consultation to the Home and Commerce and Employment Departments, the Medical Specialist Group and the Primary Care Company Limited

RECOMMENDATIONS FOR FURTHER TOBACCO CONTROL

21. Increase in tobacco excise
 - There is strong evidence from around the world that tobacco is price sensitive, i.e. a 10% rise in overall price would generally result in around a 5% drop in consumption.
 - There is also good evidence that the knowledge that the price of cigarettes will continue to rise in real terms is a powerful motivator for smokers to move from contemplation to attempting actively to quit.
 - It is, therefore, recommended that excise on tobacco and tobacco products rise by a minimum of RPI plus 3% for the five years 2009-2013.
22. Funding for enhanced tobacco control activities to be maintained
 - In 1996, the States agreed that a proportion of the increased tobacco excise should be included in the annual revenue budget of the former Board of Health to enhance health education and to provide assistance to those smokers who wished to quit.
 - There is no doubt that a large part of the success of tobacco control in Guernsey, as summarised above, has been due to the range and effectiveness of such measures.
 - The knowledge that this extra excise helps ensure the necessary resources are available to provide counselling and for free nicotine replacement or subsidised anti-smoking drugs is also believed to have

contributed to Guernsey's success in reducing the number of smokers and the amount of tobacco related illness and mortality.

- It is, therefore, recommended that the Treasury and Resources Department takes note of the need to maintain enhanced tobacco control activities when recommending to the States the HSSD's revenue budget for the years 2009-2013.

23. Pictorial pack warnings

- Pack warnings are a proven and effective way of ensuring that smokers are fully aware of the health related consequences of smoking.
- However, over-familiarisation means that such warnings will tend to lose their effectiveness over time.
- There is good evidence from around the world that pictorial pack warnings allow the same health information to be presented in a more graphic and dramatic way, whilst smokers have a better recall of visual (as opposed to printed) health warnings.
- A number of jurisdictions, including Canada, Australia, New Zealand and Brazil, have already introduced pictorial pack warnings, and further research has confirmed their effectiveness in these countries.
- The UK government has also confirmed that it will introduce pictorial pack warnings, from 30 September 2008 for cigarettes and 30 September 2009 for other tobacco products.
- The health authorities of the Channel Islands have been in negotiation with the Channel Islands Tobacco Importers and Manufacturers Association and both jurisdictions would wish to introduce legislation making pictorial pack warnings compulsory on all tobacco products imported into the islands.
- It is, therefore, recommended that an Order be made under the Tobacco Advertising (Guernsey) Law, 1997 to provide the necessary legislative authority to require pictorial health warnings on tobacco products imported into Guernsey.

24. Packs of ten

- The consensus is that packs of ten are more affordable and are, therefore, more likely to be bought by younger people who are initiating their smoking habit.
- The tobacco industry counters that packs of ten are attractive to adults

who are not regular smokers and are a useful aid to heavier smokers who wish to cut down (there is evidence that many smokers tend to think in terms of packs a day, rather than the number of cigarettes).

- It is noted that the Republic of Ireland has already banned packs of ten (on 30 May 2007) and it is understood that the possibility of the United Kingdom adopting a similar course has already been the subject of government discussions.
- It is, therefore, recommended that further legislation be prepared to ban the import and sale of packs of ten or fewer cigarettes into Guernsey.

25. Better enforcement of under age sales

- This is a matter that, until now, has relied on dealing with contraventions by way of a friendly warning, perhaps with some success, given the decline in the number of younger smokers.
- However, in the lead up to England's new smokefree legislation, there was increased pressure for local authorities, through their Environmental Health Departments, to enforce regulations against under age sales and the review group recommended that Guernsey should also adopt a more robust approach.
- This will require clarification of what is acceptable proof of age.
- It is recommended that the 'over 18' card (being introduced as part of the Drug and Alcohol Strategy) *or* a driving licence *or* a passport should be the only acceptable confirmation of age for sales of tobacco, and that these requirements should be more actively enforced.
- The Commerce and Employment Department has commented that it sees a possibly increased role for Trading Standards Officers in this area.

26. Re-introduction of tobacco licences

- Tobacconists (whether shopkeepers, bartenders or others) formerly required licences (in the same way as for sale of alcoholic beverages) until 1979, when these were apparently discontinued on the basis that the licence fee did not pay for the cost of collecting it.
- The recent rise in smoking levels amongst 13 and 14 year old girls suggests that this is an area that particularly needs to be addressed. It has been suggested that the licence fee could cover the cost of policing the legislation.

- The rationale for the re-introduction of tobacco licences would not be to limit the number of tobacco outlets (as historically occurred in some European countries) but to ensure that those who sold tobacco products did so in a responsible way and in accordance with the law.
- There are believed to be approximately sixty tobacco outlets in Guernsey at present. It is obviously not possible to police all of these adequately to control under age sales but the threat of losing a tobacco licence if convicted would be a powerful incentive to ask for the 18 + card or similar identification before making a sale.
- It should be noted that the Republic of Ireland is preparing legislation to re-introduce tobacco licensing, whilst Scotland will consider a similar proposal in the Spring, 2008.
- The Commerce and Employment Department has suggested that it would be inconsistent for the administration of tobacco licensing to be separate from that of alcohol, and supports that revenue from such licences should be used to fund the additional resources to ensure compliance with the legislation.
- The Home Department has commented that the gathering of evidence in relation to the illegal sale of alcohol can sometimes be protracted and complex and this could also be a drain on resources if tobacco licensing was reintroduced.
- The HSSD is of the view that one States department should administer both alcohol and tobacco licences but that further consideration can be given to which department should do so before the legislation is drafted.
- It is, therefore, recommended that the States support the re-introduction of tobacco licences. If agreed, then there should be further discussion between the Health and Social Services, Commerce and Employment and Home Departments regarding the most effective approach to their implementation and enforcement including proposals on how to meet the associated costs of any licensing system.

27. Banning advertising at the point of sale

- At present, advertising and promotion is still allowed at the point of sale. A ban was considered, but not pursued, at the time of the 1996 States debate, on the basis that tobacco was a legal product and that adult smokers should have the opportunity to choose which brand they preferred to buy.
- However, the evidence is that smokers tend to remain brand loyal and very rarely make impulse switches at the point of purchase.

- Further, in many retail outlets, particularly in corner shops and behind supermarket counters, the point of sale advertising and display frequently dominate the whole counter area and it is felt that this has the effect of normalising cigarette sales, when sold along with other household products.
- Several other jurisdictions are considering a ban on all point of sale displays. The review group advised that these should be further regulated and that point of sale advertising that is disproportionate in size or impact should not be allowed.
- The HSSD considers that, although tobacco products may be on display, there should be no further advertising allowed at the point of sale. Compliance with this requirement would need to be demonstrated as part of the proposed tobacco relicensing.
- It is recommended that legislation be prepared to ensure that, whilst legitimate display of tobacco products could continue at the point of sale, advertising and promotion at the point of sale be precluded in the future.

28. Enforcement of compliance with duty free entitlement requirements

- During recent years, airlines, duty free shops and other outlets have offered promotional sales of 400, 600 or even 1,000 cigarettes, often at a highly discounted rate. The legal limit is 200 cigarettes, which are meant to be for personal use. There can, therefore, very rarely be any reason for a couple to buy more than 400 cigarettes, assuming they are both smokers.
- It is noted that the Customs and Immigration Service has, over the past year or two, increased its activity by conducting risk taking exercises at various points of arrival in the island, and has instigated a 'stick to the limit' campaign aimed at departing passengers and also through the media.
- The Service has pointed out, however, that such activities may adversely impact on resources available for other important functions, such as maintaining vigilance against drug imports.
- It is recommended that efforts by Customs and Immigration staff to raise awareness of, and to enforce, compliance with requirements relating to duty free entitlements be encouraged.

29. Smokefree prisons

- The Isle of Man authorities are planning to introduce legislation on smokefree public areas later this year and intend to include the prison in

the smoking ban.

- Although there are number of smokefree prisons in the United States, the Isle of Man could become the first jurisdiction in Europe to have one.
- It could be argued that we do not give alcoholics access to alcohol or drug addicts access to drugs whilst they are in prison; it is seen rather as an opportunity for them to dry out and rehabilitate. A consistent position should, therefore, be adopted with regard to tobacco.
- A counter argument is, of course, that the States should not prescribe what individuals do in their own home, albeit an enforced one in this instance and that it would be an infringement of human rights to deny prisoners access to such addictions.
- In the Smokefree Report [Billet d'État VII 2006], it was agreed that the present smoking policy should be reviewed after three years. It may be opportune to do so beforehand.
- It is recommended that the Home Department be requested to review the need for changes to the Prison Smoking Policy on or before 2 July 2009.

30. Banning smoking in cars

- GASP has suggested that smoking should be banned in cars, especially if they are carrying child passengers.
- Additionally, on safety grounds, the attention of a driver who is lighting up or stubbing out a cigarette or with a cigarette in one hand, is distracted from road conditions and the driver is less in control of the vehicle than if both hands were available.
- This suggestion has met with some support from the Home Department and would have merit but could also be difficult to enforce.
- It is recommended that the Home Department give further consideration to banning smoking whilst driving, as has occurred in several other jurisdictions.

CONSULTATION

31. As summarised in paragraph 20, the report from the Tobacco Strategy Review Group was sent to certain other States Departments and health organisations. The responses received, which are generally supportive, are appended to this States Report (Appendix 2), and their suggestions have been incorporated within the text and proposals of this report wherever possible.

32. The Law Officers have also been consulted as to the legislative mechanics necessary to achieve the proposals set out herein. The HSSD understands that primary amending legislation will be needed in some cases, and is mindful that this may take some time to progress. In the long term, the Department wishes to be able to act with maximum possible effectiveness and flexibility and to react swiftly to changing circumstances in regulating import, sale and advertising of tobacco. The Department, therefore, also proposes modification to the Tobacco Advertising (Guernsey) Law 1997, to make it capable, in the future, of being amended by subordinate legislation, preferably Departmental Order (or alternatively, by States Ordinance, if felt necessary).

CONCLUSIONS

33. Guernsey can be proud of the progress it has made in tobacco control, and the health benefits it has reaped in consequence. However, although much progress has been made, too many people are still suffering ill health and some are dying as a result of tobacco usage.

RECOMMENDATIONS

34. The Health and Social Services Department recommends the States to resolve:
- i. that excise on tobacco and tobacco products rise by a minimum of RPI plus 3% annually for the five years 2009-2013;
 - ii. that the Treasury and Resources Department take note of the need to maintain enhanced tobacco control activities when recommending to the States the Health and Social Services Department's revenue budget for the years 2009-2013;
 - iii. that an Order be made under the Tobacco Advertising (Guernsey) Law, 1997, to make pictorial pack warnings compulsory on all tobacco products imported into Guernsey;
 - iv. that further legislation be prepared to ban the import and sale of packs of ten or fewer cigarettes into Guernsey;
 - v. that an 'over 18 card' (being introduced as part of the Drug and Alcohol Strategy) *or* a driving licence *or* a passport should be the only acceptable confirmation of age for sales of tobacco and that these requirements should be actively enforced;
 - vi. that licences to sell tobacco be introduced and to direct the Health and Social Services, Commerce and Employment and Home Departments to report back to the States regarding their preferred method of implementation and enforcement including proposals on how to meet

the associated costs of any licensing system;

- vii. that further legislation be prepared to ban advertising at the point of sale;
- viii. that the efforts by Customs and Immigration to raise awareness of, and to enforce compliance with, requirements relating to duty free entitlements be encouraged;
- ix. that the Home Department be directed to review the need for changes to the Prison Smoking Policy on or before 2 July 2009;
- x. that the Home Department be directed to give further consideration to bringing forward proposals to ban smoking whilst driving;
- xi. that any legislation necessary to enact the above proposals be prepared, and that such legislation should also provide for the Tobacco Advertising (Guernsey) Law 1997 to be amended by subordinate legislation in the future.

Yours faithfully

P J Roffey
Minister

Attachments: Membership of Guernsey Tobacco Strategy Review Group
Responses: Commerce and Employment
Home Department
Primary Care Company Limited

Appendix 1**HEALTH AND SOCIAL SERVICES DEPARTMENT****Tobacco Strategy Review Group****Membership**

Dr David Jeffs	Director of Public Health
Mrs Gerry Le Roy	Health Promotion Officer
Mrs Becky Sherrington	Clinical Nurse Specialist, Respiratory Disease
Mrs Sophie O'Connell	Clinical Nurse Specialist, Cardiac Rehabilitation
Dr Wasif Anees	Consultant Physician
Mrs Andrea Tostevin	Manager, Quitline
Mr Alun Williams	Chairman, GASP
Mr John Cook	Director of Environmental Health and Pollution Regulation
CI Ruari Hardy	Guernsey Police
Mrs Andrea Nightingale	Drug and Alcohol Strategy Co-ordinator
Mr Pierre Vermeulen	Drug and Alcohol Strategy Officer
Mr Paul Newman	Patient Representative
Ms Di Lawrence	GASP
Dr Dean Patterson	Consultant Physician
Dr Peter Standring	Consultant Paediatrician
Mrs Carolyn Barrett	Prison Nurse
Mrs Carolyn Oxborough	Manager, Chest & Heart Association
Mr Bernie English	Chairman, Crime Stoppers



COMMERCE AND EMPLOYMENT

A STATES OF GUERNSEY GOVERNMENT DEPARTMENT

Deputy D A Grut
Deputy Minister
Health and Social Services Department
Corporate Headquarters
Le Vauquiedor
St Andrew's
Guernsey
GY6 8TW

16 November 2007

Dear Deputy Grut

Dave,

Tobacco Control Strategy for Guernsey 2008-2012

I refer to your letter of 09 October 2007 to which a preliminary report on the development of a Tobacco Control Strategy for Guernsey (2008-2012) was attached and on which you sought the Commerce and Employment Department's initial response.

This matter was considered at the Department's board meeting of 13 November 2007 and Members recognised that there is clear evidence of the adverse effects of smoking on health. Should it be decided that control will be achieved partly by strengthened legislation rather than through education alone, however, Members identified that a number of the bullet pointed issues that appear towards the end of your letter could potentially impact upon the Commerce and Employment Department. The Department's comments are as follows:-

- Improving the enforcement of sales to those only of a legal age and banning advertising at the point of sale, could possibly become the responsibility of Trading Standards officers, as is the case on the Mainland.
- Should it be decided to reintroduce tobacco licensing and, as mentioned immediately above, enforcement of legal age sales and advertising were to fall to Commerce and Employment, a case could be made for licensing legislation also falling to the Department. This would, however, be inconsistent with licensing of alcohol sales.
- In the event that tobacco licensing should be introduced, any fees consequently raised should be used to fund the additional resources that would potentially be required to ensure compliance with legislation.

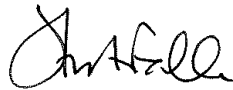
Appendix 2

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- The Department would support any intervention on ‘legal highs’ where the marketing of such products presents an unacceptable risk to the health and wellbeing of consumers. As a result of other work streams that the Department is involved with, it is understood that control of these substances may be possible under the forthcoming Medicines Law. As a separate but related issue, there would also be the potential for disparity with the EU, (specifically the UK), if legal highs were sold and exported under the Island’s Protocol 3 Agreements, to a territory in which such substances were illegal.

The Department appreciates having been given the opportunity to comment on the development of a strategy at this early stage and trusts that the foregoing comments will be of assistance. Given that the Commerce and Employment Department could potentially have a direct, but probably limited, stake in a tobacco control strategy, I would be grateful if the Department could be kept informed as this initiative develops.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stuart Falla', with a stylized, cursive script.

Stuart Falla
Minister



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The Deputy Minister
Health and Social Services Department
Corporate Headquarters
Le Vauquiedor
St Andrews
GY6 8TW

19 November 2007

Dear Deputy Grut

A Tobacco Control Strategy for Guernsey 2008 – 2012

Thank you for your letter of 9 October 2007 and preliminary report in respect of the above-mentioned matter.

In responding to the various recommendations which you are considering taking to the States, the Home Department Board (the Board) has taken advice from the Island Police, Customs and Immigration Service and the Prison Service.

In broad terms the Board is in general agreement with the need for further actions as listed in Section 8 of your report.

More specifically the Board wished to comment as follows:-

- (9i) There is no doubt that increased costs of tobacco is a real motivator to quitting smoking and the Board would agree with a proposal to, say, continue with the recent strategy of increasing excise duty by RPI + 3% for the next 5 years.

The Board however, agrees with the Customs Service that any increase in indirect taxation causes higher incidents of fraud and smuggling and that more resources may need to be applied to revenue protection.

- (9v) The Board agrees that there could be better enforcement of underage sales which could be likened to the sale of alcohol to under 18s. The Island Police have commented however that the gathering of evidence in relation to the illegal sale of alcohol can sometimes be protracted and complex and, once again, could be a drain on resources.

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- (9vi) The Board agrees that further investigation could be undertaken in respect of banning advertising at the point of sale but would wish to attain further information as to how it would be intended to enforce the proposal.
- (9viii) The Board concurs with the view that duty free is aggressively advertised and sold at the various UK airports that serve Guernsey and also on ferries, often in packs of up to 1000 cigarettes. The Customs Service has, over the past year or two, increased its activity by conducting risk testing exercises at the various points of arrival in the Island and has instigated a 'stick to the limit' campaign aimed at departing passengers and also through the media. However, the Service would be unlikely, given current resourcing constraints, to increase such activity especially given its higher priority of targeting top-end criminal activity especially in relation to drug trafficking.
- (9ix) Currently, prisoners in the Guernsey Prison are able to smoke in their cells, albeit in restricted circumstances, or at times when outside. The Board believes that the Isle of Man situation, whereby it intends to put a total ban on smoking within the confines of the Prison, would need to be carefully monitored before introducing a total ban locally. At present 75% of prisoners are smokers and the Board considers that there would need to be a considerable lead-in time if such a ban was agreed.
- (9xii) The Board continues to have concerns as to the level of resource that would be required in order to properly enforce a ban on smoking in cars. If such a proposal was agreed the Board would recommend that any fine could be made through the fixed penalty arrangements. Before agreeing to any proposal in respect of smoking in cars the Board would recommend that you consult further with the Island Police.
- (9xiii) The Board concurs with the concerns of Health and Social Services and those of the Drug and Alcohol Strategy Group that the very terminology 'legal highs', suggests that such products are endorsed by Government. The Board further notes that whilst not all legal highs are smoked, further research is required into their use and effects on health.

Yours sincerely



G H Mahy
Minister
Home Department

Primary Care Company Limited
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Tel. 01481 245915
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12th November 2007

Deputy Minister D A Grut
Health and Social Services Department
Corporate Headquarters
La Vauquiedor
St Andrews
Guernsey GY6 8TW

Dear Minister Grut

RE: Tobacco Control Strategy for Guernsey 2008 – 2012

Many thanks for your letter dated 9th October on this matter. Primary Care continues to give your department its complete support for its far reaching Tobacco Control Strategy. Whilst we are aware that there is a lot to do we feel that a lot of progress has been already made in this area and we appreciate the opportunity to make a contribution to this Strategy.

As you know Primary Care is at the heart of any intervention to control tobacco use. We have in place in each of the three main Practices the human resources structures and processes to participate in the proposed new 5 year tobacco strategy covering the years 2008 to 2012. We tend to be the first point of contact of established smokers who wish to quit. We therefore welcome any enhanced efforts to support smokers who wish to quit.

We welcome the continuing financial support of the board in the implementation of the relevant NICE Guidelines in particular with reference to novel pharmaceutical interventions in this area, Champix, Nicotine Replacement and Zyban.

Primary Care particularly wish to contribute to the work of the Quitline Service and would consider funding for this should be a priority for the board in the future.

Every day in Primary Care we see the adverse effects on the population of Guernsey of tobacco usage. We welcome this joined up approach working with Government Departments in order to reduce the use of tobacco products. It is particularly gratifying to see the States making significant investment in prevention of the use of tobacco products in young people (through Smokebusters, GASP and the Healthy Schools initiative) and other vulnerable groups such as manual workers and pregnant women.

Continued/..

Chairman: Dr R G Hanna MB, BCh, BAO, MRCP, DRCOG, DGM

Primary Care Company Limited Registered Office –
Queen's Road Medical Practice, Queens Road, St Peter Port, Guernsey. GY1 1RH

-2-

Deputy Minister D A Grut

12th November 2007

To this end Primary Care has nominated Dr Susan Wilson as our Primary Care representative on the Tobacco Control Group.

She will then liaise directly with the Executive at Primary Care to ensure a two way flow of information to the Group.

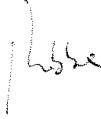
We have already made some progress in that all the General Practices have referral pads for Quitline and also progress has been made in the use of Carbon Monoxide monitors at the Primary Care Practices.

We do hold a large amount of data about the prevalence of smoking on the Island. There are obviously Data Protection confidential issues concerning this which we are confident we can work through.

Finally can I summarise to say that Primary Care looks forward to working alongside the board to achieve further success. If you have any further comments or wish to speak to me personally please do not hesitate to give me a call.

Kind regards

Yours sincerely



Dr R G Hanna
Chairman Primary Care Company Limited

W:\Tobacco Strategy Group\Letter to DA Grut 121107.rtf

Chairman: Dr R G Hanna MB, BCh, BAO, MRCP, DRCOG, DGM

**Primary Care Company Limited Registered Office –
Queen's Road Medical Practice, Queens Road, St Peter Port, Guernsey. GY1 1RH**

(NB The Policy Council has no comment on the proposals. However, when the matter is debated by the States, Members will vote in accordance with their individual views.)

(NB The Treasury and Resources Department supports the proposals.)

The States are asked to decide:-

XIII.- Whether, after consideration of the Report dated 14th January, 2008, of the Health and Social Services Department, they are of the opinion:-

1. That excise on tobacco and tobacco products rise by a minimum of RPI plus 3% annually for the five years 2009-2013.
2. To direct the Treasury and Resources Department to take note of the need to maintain enhanced tobacco control activities when recommending to the States the Health and Social Services Department's revenue budget for the years 2009-2013.
3. That an Order be made under the Tobacco Advertising (Guernsey) Law, 1997, to make pictorial pack warnings compulsory on all tobacco products imported into Guernsey.
4. That further legislation be prepared to ban the import and sale of packs of ten or fewer cigarettes into Guernsey.
5. That an 'over 18 card' (being introduced as part of the Drug and Alcohol Strategy) *or* a driving licence *or* a passport shall be the only acceptable confirmation of age for sales of tobacco and that these requirements shall be actively enforced.
6. That licences to sell tobacco be introduced and to direct the Health and Social Services, Commerce and Employment and Home Departments to report back to the States regarding their preferred method of implementation and enforcement including proposals on how to meet the associated costs of any licensing system.
7. That further legislation be prepared to ban advertising at the point of sale.
8. That the efforts by Customs and Immigration to raise awareness of, and to enforce compliance with, requirements relating to duty free entitlements be encouraged.
9. To direct the Home Department to review the need for changes to the Prison Smoking Policy on or before 2 July 2009.
10. To direct the Home Department to give further consideration to bringing

forward proposals to ban smoking whilst driving.

11. To direct the preparation of such legislation as may be necessary to give effect to their above decisions and that such legislation shall also provide for the Tobacco Advertising (Guernsey) Law 1997 to be amended by subordinate legislation in the future.

PUBLIC SERVICES DEPARTMENT

AMENDMENTS TO GUERNSEY WATER LEGISLATION

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

18th January 2008

Dear Sir

The introduction of The Taxation of Real Property (Guernsey and Alderney) Ordinance, 2007, which replaces the Rateable Value (RV) system means that water charges, for those properties that are not charged on a metered basis, should in future be charged by reference to the new Taxation of Real Property (TRP) system.

The Law Officers of the Crown have advised of the need to amend, or replace, the Water Charges (Guernsey), 1991, Ordinance and furthermore to amend reference to RV in the 1927 “Loi ayant rapport a la Fourniture d’Eau par les Etats de cette Ile aux Habitants de la dite Ile (The Water Supply Law 1927 as amended).

The Public Services Department, responsible for Guernsey Water, is not seeking to increase the overall level of income from customers who do not receive a metered supply. The proposal is simply to replace the RV system with the new TRP system.

In order to calculate water charges in respect of domestic properties, Guernsey Water will use only the TRP values that relate to the ‘domestic built’ area (categories B1.1, B1.2, B2.1, B2.2, B3.1 and B3.2 in schedule 1 of The Taxation of Real Property (Guernsey and Alderney) Ordinance, 2007) and exclude any TRP value relating to land areas, out buildings or other non-domestic structures.

Guernsey Water will continue to install water meters, as at present, on all new properties, non-domestic properties, and those properties where the water being consumed is not predominantly for essential domestic usage.

Recommendations

The States of Deliberation is asked to agree:-

1. That the TRP on properties shall be used as the basis for charging customers for water who are not already charged on a metered basis.

2. To direct the preparation of such legislation as may be necessary to give effect to the foregoing.

Yours faithfully

William M Bell
Minister

(NB The Policy Council supports the proposals.)

(NB The Treasury and Resources Department supports the proposals.)

The States are asked to decide:-

XIV.- Whether, after consideration of the Report dated 18th January, 2008, of the Public Services Department, they are of the opinion:-

1. That the TRP on properties can be used as the basis for charging customers for water who are not already paying for the water used via a water meter.
2. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

SCRUTINY COMMITTEE

STRENGTHENING ACCOUNTABILITY SCRUTINY COMMITTEE PERFORMANCE REPORT

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

10th January 2008

Dear Sir

1 Executive Summary

- 1.1 The Committee's 2007 performance report, shown as Appendix 1, is a stand alone document and it is not repeated in this covering States Report. In acknowledgement that this is the last States meeting of the current term of the States of Deliberation and of the current Scrutiny Committee, the Committee has taken this opportunity to identify some of the key themes that have emerged, not only from 2007 but since the formation of the Committee. The Committee considers that these will be issues of ongoing concern for the next Scrutiny Committee.

2 Introduction

- 2.1 The Scrutiny Committee is pleased to present its performance report for 2007, entitled *Strengthening Accountability*, to the States, together with a brief overview looking to the future.
- 2.2 The Machinery of Government changes in 2004 brought about the formation of the Scrutiny Committee, an entirely new concept for Guernsey. The Committee had to start from scratch and has learnt much in its four years of existence, but there are many challenges ahead.
- 2.3 The appended performance report includes an outline of continuing and future work streams in the section entitled *The Year Ahead* (p17). The Committee is conscious that it will be for the newly elected Committee to decide its approach and what work it would like to continue. Therefore the current Committee has refrained from being prescriptive on future plans. The Committee believes that its experiences to date will give the new Committee clear guidance on key themes it might wish to progress.

3 Looking Forward

Scrutiny in the Government Business Plan (GBP)

- 3.1 The title of the attached performance report, *Strengthening Accountability*, derives from the heading under Priority 12 of the GBP relating to the areas of responsibility allocated to the Committee.
- 3.2 Priority 12 of the GBP strengthens and enhances the role of the Scrutiny Committee. The next Scrutiny Committee will continue to work with the GBP Team to further develop the Committee's contribution to strengthening government accountability.

Early Sight of Policy Proposals

- 3.3 The Committee is grateful to those Departments and Committees that have forwarded policy proposals and draft States Reports to the Committee before these are published or finalised, to give the Committee adequate opportunity to prepare any comments that it might have.
- 3.4 The Committee would encourage all Departments to adopt this practice, which has been essential to the Committee's ability to consider policy proposals in an adequate time frame. This assists the Committee in fulfilling its mandate to examine the development processes of policies or services in order to assess their effectiveness and to identify areas that might be inadequately or inappropriately addressed. This has proven useful to Departments, enabling them to take into account any Scrutiny comments in advance of decisions being made and implemented.

Corporate Working

- 3.5 While much has been made of corporate working, the Committee has questioned whether in practice the States acts corporately. For example, from preliminary investigations into the Corporate Anti-Poverty Programme and the Corporate Housing Programme progress appears to have been driven by particular Departments mostly in separate work streams, with insufficient coordination of effort. This is an area worthy of consideration for further scrutiny, to identify successes and failures in corporate working initiatives and to make recommendations for improvement.

Prioritisation

- 3.6 Almost from its formation a particular focus for the Committee has been how initiatives are prioritised. With financial and staffing resources becoming increasingly tight, this is an important consideration for all Departments and

Committees as they bring forward policy proposals with the continued development of the GBP. This will continue to be a focus for scrutiny comment.

Supporting Decision-Makers

- 3.7 The Committee has noted a lack of clarity in the presentation of policy proposals, including an obscurity of underlying policy objectives and priorities and inefficiencies in the supporting information provided. The Committee has become increasingly concerned that States Members' ability to make appropriate decisions on important policy matters may have been compromised, due to the way in which information is presented on complex proposals and also the short time frame in which they have to consider significant policy and service delivery initiatives. As the 'critical friend' to government decision-makers, Scrutiny might seek to give further consideration to ways in which States Members could be better supported in performing their policy-making role.

Scrutiny Role and Relationships

- 3.8 It is not only the Scrutiny Committee that ensures the States is accountable for its policy and service delivery. The new Committee might wish to seek opportunities to strengthen its relationship with accountability partners, such as the Public Accounts Committee. It would be useful to identify and map the various contributors to strengthening accountability to ensure that there is no duplication of effort.
- 3.9 The Committee is of the view that encouraging increased public participation is key to the future success of scrutiny and is a particular area that requires development.

4 Conclusion

- 4.1 The Committee is encouraged with the way in which Scrutiny has developed since its inception in May 2004. The work outlined in the Committee's performance reports represents the tip of the iceberg in terms of the groundwork that has been done building robust scrutiny processes and procedures that are appropriate to whatever topic Scrutiny might choose to pursue or approach it might take.
- 4.2 Following the April 2008 elections, it will be for the new Committee and new States to build on these strong foundations.

5 Recommendations

The Scrutiny Committee asks the States to:

- a) Note the Scrutiny Committee's 2007 performance report entitled *Strengthening Accountability*;

- b) Encourage States Departments and Committees to continue to give support to, and cooperate with, the Scrutiny process.

Yours faithfully

J A Pritchard
Chairman
Scrutiny Committee



SCRUTINY COMMITTEE
THE STATES OF GUERNSEY

**“STRENGTHENING
ACCOUNTABILITY”
PERFORMANCE REPORT
2007**

JANUARY 2008

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CHAIRMAN'S FOREWORD



In my foreword to the January 2007 performance report *Scrutinising Scrutiny* my main theme was the importance of Scrutiny's role in strengthening accountability in a challenging political environment, following the Machinery of Government changes and in the shadow of proposed tax reforms. *Strengthening Accountability* remains the key theme for Scrutiny, underpinned by the Committee's commitments in the new Government Business Plan, and is the adopted title of this performance report.

Over the past year a dominant feature of the Committee's work has been monitoring the progress of major initiatives, including the Government Business Plan, the implementation of the Economic and Taxation Strategy, the establishment of the Population and Migration Strategy, and the continuing development of the Corporate Anti-Poverty and Corporate Housing Strategies. Our work programme in the main has been set by the States agenda, as we have examined and commented on major policies as they are brought forward in the Billets d'Etat, and by the priorities government has set itself in the emerging Government Business Plan.

A common theme for 2007 was the lack of clarity in the presentation of policies. In a number of initiatives, policy objectives and priorities have been obscure, difficult to understand and lacking in realistic targets, performance measures, appropriate supporting data and genuine corporate working.

All of the policies Scrutiny has examined this year can be regarded as work in progress and the Committee has identified gaps and made recommendations for improving the policy development process. The groundwork has been done to prompt action and get commitments on record, which in themselves will benefit from future Scrutiny Reviews to analyse and assess performance once policies have had time to bed in.

Much of Scrutiny's most valuable work is behind the scenes and a well-placed question can prompt a Department to bring forward initiatives. We are starting to see some positive indicators of success as we build up our own performance measures and set reasonable expectations for the future performance of those being scrutinised.

With elections in April 2008, this will be the last performance report of the current Committee and my last report as Chairman. I am pleased to report that Scrutiny now has some very strong foundations in place and I am proud to hand over the helm of Scrutiny with a steady course for the future.

J Pritchard

Deputy Jean Pritchard
Chairman

THE ROLE OF SCRUTINY

The terms of reference for the Scrutiny Committee are:

“to examine States’ department and committee policies and services together with the development processes in order to determine the effectiveness of those policies or services, to identify areas that might be inadequately or inappropriately addressed and to assess the performance of departments and committees in implementing policies and services.”

- Billet d’Etat VII, 2003

"I have always held the view that scrutiny is a vital check and balance within the structure of the new machinery of Government. Focussed evaluation or the possibility that there may be painstaking transparent scrutiny should enhance performance across Departments."

Geoffrey Rowland, Bailiff of Guernsey

In 2007, the Committee’s role has further developed through the Government Business Plan process and it has been charged with a high level objective to:

“Utilise scrutiny processes...to ensure that the Policy Council, States Departments and Committees are held accountable for the successful implementation of the Government Business Plan...[and] Ensure that there is consistency between overall government objectives and the way in which services are delivered to the client, identifying any shortfalls...[and] continually evaluate the effectiveness of service delivery, so that pressure to improve performance is maintained.”

- Government Business Plan, Priority 12, Billet d’Etat XVIII, 2007

The Committee’s involvement shapes and influences policy, but its role is not to make policy, to check or validate every fine detail of a policy or its implementation, or to endorse policies.

At the end of 2006, as reported in *Scrutinising Scrutiny*, the Committee set itself the following objectives that it considered were appropriate to its mandate and obligations under the Government Business Plan:

- Make a positive impact on service delivery
- Provide an effective challenge to government decision-makers
- Encourage accessibility to and public participation in scrutiny
- Reflect the concerns of the public and its communities
- Work effectively with Departments and Committees; politicians and their senior management
- Develop Committee Members’ involvement and ownership of the scrutiny process

This performance report records the Committee’s progress against the above objectives.



Deputy Jean Pritchard,
Chairman



Deputy Sam Maindonald,
Vice-Chairman



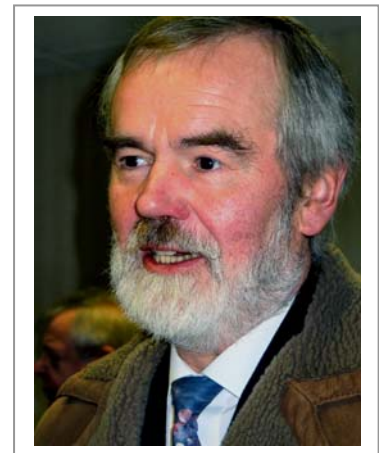
Deputy Brian de Jersey



Deputy John Gollop



Deputy Duncan Staples



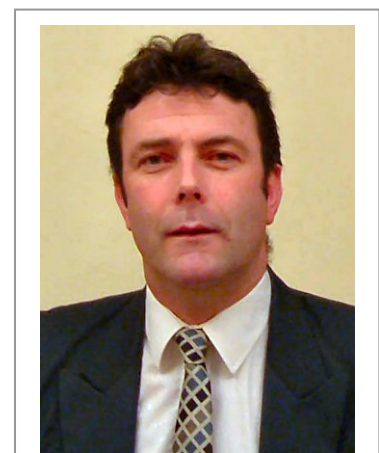
Deputy Hunter Adam



Deputy Barry Brehaut



Deputy Charles Parkinson



Alderney Representative Bill
Walden

WHO IS SCRUTINY?

Committee Members

The Membership of the Committee, as at 31st December 2007, was:

- Deputy Jean Pritchard, Chairman
- Deputy Sam Maindonald, Vice-Chairman
- Deputy Brian de Jersey
- Deputy John Gollop
- Deputy Duncan Staples
- Deputy Hunter Adam (from 9th March 2007)
- Deputy Barry Brehaut (from 9th March 2007)
- Deputy Charles Parkinson (from 28th March 2007)
- Alderney Representative Bill Walden (from 25th April 2007)

Since the last *Scrutinising Scrutiny* performance report, the Committee has welcomed four replacement Members to the team. The Chairman would like to thank the Committee's former Members who left us in 2007 and who have therefore also contributed to the Committee's work outlined in this performance report: Deputy Eric Walters (up until 25th April 2007), Deputy Ron Le Moignan (up until 28th March 2007), Deputy Diane Lewis (up until 7th March 2007) and former Alderney Representative Richard Cox (up until January 2007).

It is important to the success of the Committee that its Members are actively involved in challenging their political peers and taking ownership of the scrutiny process. An aim of the Committee is that its membership will be seen as an attractive political career. The interest expressed by States Members to join Scrutiny has been heartening and the high calibre of the four new Members who have joined the Committee is hopefully a reflection of the growing desirability and reputation of a role in Scrutiny.

In order to carry out their work objectively, Members must put aside personal political viewpoints and strike a balance between being part of government whilst also subjecting it to scrutiny.



Support Staff

The Committee has three full-time members of staff. The Chief Scrutiny Officer, Mr Roger Domaille, is leaving us in early 2008. The Committee would like to record its thanks for all of his support to the Committee since its inception and his hard work in helping to establish and develop the Scrutiny function in the States of Guernsey.

Picture, left to right: Mr Roger Domaille, Chief Scrutiny Officer, Mrs Alysia Martel, Scrutiny Officer and Mr Peter Hughes, Assistant Scrutiny Officer.

OVERVIEW

- The Committee has developed its role in parallel to the **policy planning process** and in particular established its relationship scrutinising the Government Business Plan.
- The Committee published detailed comments on the **Government Business Plan** suggesting ways of improving the development of government priorities.
- The Committee has continued to monitor the implementation of the **Economic and Taxation Strategy** and has published its correspondence raising concerns with the Strategy as it developed. In October, Committee representatives met with the Policy Council's Fiscal and Economic Policy Steering Group and published an update on progress.
- The Committee has kept a close watch on progress in developing **Guernsey's Strategic Population and Migration Policy** and published a Scrutiny Study on the proposals in April. In October, Committee representatives met with the Demographics Policy Group and published an update on progress.
- Initial Scrutiny comments were published on the latest update on the **Corporate Housing Strategy**, raising concerns about the effectiveness of corporate working.
- The Committee also questioned the effectiveness of corporate strategy in relation to policies for **Key Worker** housing.
- The Committee has been actively monitoring the commitments made to develop the **Corporate Anti-Poverty Programme and Strategy**.
- The Committee persuaded the Treasury and Resources Department not to propose the withdrawal of the **Interim Financial Report** from States debate.
- Research has begun on the performance of the **States Apprenticeship Scheme**.
- The Committee identified gaps in corporate **social policy** and is due to meet with the Policy Council's Social Policy Group early in 2008 to discuss this.
- Some progress was made in response to the Committee's challenge to the lack of corporate coordination of government **fees and charges**, with the Treasury and Resources Department putting forward a States Report on this subject.
- The Committee published its **Monitoring Report** on the progress made by the States since the August 2005 *Complaints Policies and Appeals Procedures* Review.
- The Treasury and Resources Department reported to the States in December 2007 on its proposals for a new **Staff Number Limitation Policy**, in accordance with the recommendations from the Scrutiny's Review of that title, which was approved by the States in February 2007.
- The Committee's Review Report on the Commerce and Employment Department's *Milk Distribution Proposals* was submitted to the States in the April 2007 Billet, at the same time as the Department's revised strategy for the future of the dairy industry.

2007 WORK PROGRAMME REPORT

“The focus of the Committee’s work in 2007 has been to provide an effective challenge to government decision-makers through questioning and closely monitoring major policies as they have come forward for States approval. The Committee has aimed to help policy-makers to question and fully engage with policy proposals and the Committee has made recommendations for improving policy as it is developed.”

- Deputy Jean Pritchard, Chairman

The Government Business Plan

The Committee welcomed the Government Business Plan and supported it in principle, but as a promising work in progress and not yet as a workable Plan.

The Government Business Plan was approved by the States at its July meeting (Billet d’Etat XVIII, 2007). Ahead of the debate, the Committee published its correspondence setting out its broad concerns, key findings and detailed comments, focusing on how the Level 1 objectives had been developed at Levels 2 and 3 for each of the identified Priorities.

In summary, the Committee noted that the GBP lacked prioritisation, costs, resource allocations and time frames. The Committee considered there to be a risk that the incomplete Plan would be used as justification for carrying out work, or for not carrying out work, when the Plan was not developed enough to provide that justification at that stage. The Committee also warned of the risk that less essential work would be carried out in preference to more essential work because work streams had not been prioritised. The Committee strongly cautioned that the evolution of the current prototype into a workable Plan will itself require the allocation of appropriate resources and the co-operation of all involved in Government. The Committee provided a detailed commentary with suggestions for the development of each Priority area.

The Committee will be monitoring progress of the GBP and will be examining whether its comments and suggestions have been taken into account in the next version of the Plan.

Implementation of the Economic and Taxation Strategy

The Scrutiny Committee continues to monitor progress on the implementation of the Economic and Taxation Strategy.

The Scrutiny Committee has been monitoring the development and implementation of the Economic and Taxation Strategy since the publication of the initial proposals on 26th May 2006 (Billet d’Etat XI, June 2006). Its initial analysis of the development process was set out in *Future Economic and Taxation Strategy, Development Processes – Briefing Paper and Timeline*.

On 11th May 2007, the Policy Council's States Report *Implementation of the Economic and Taxation Strategy* was published (Billet d'Etat XIV, May 2007) for debate at the May States meeting. The Committee wrote to the Policy Council on 17th May 2007 raising concerns that the consequences of the proposals on taxation were not sufficiently clear and that the risks and implications for individuals and businesses might not be fully appreciated or understood.

Following the States debate, the Committee considered that there were some issues outstanding and wrote again to the Policy Council on 5th July 2007 setting out detailed comments and suggesting how the impact of the proposals could be illustrated.

Representatives from the Scrutiny Committee met with the Fiscal and Economic Policy Steering Group on 4th October 2007 to discuss the current position on implementation of the Strategy and to seek clarification on several matters outstanding following the States debate.

The Committee will continue to monitor progress in implementing and developing fiscal and economic policies.

Population and Migration Policies

The Scrutiny Committee continues to monitor the development of a corporate Population and Migration Policy, as set out in Priority 5 of the Government Business Plan.

The Committee published a study on the States Report on Guernsey's Strategic Population and Migration Policy (Billet d'Etat IV 2007). It has also published a commentary on the Government Business Plan including comments specific to Priority 5, the control and monitoring of population growth (Billet d'Etat XVIII 2007).

The Committee recognised that the main issues had been identified but highlighted that there remained a significant amount of work to be done to develop a framework on how to tackle the issues. The Committee made recommendations to suggest how the Policy could be developed and improved upon as work progresses.

Mindful of the requirement for action, Scrutiny Committee representatives met with the Demographics Policy Group on 17th October 2007 to assess progress to date and discuss related issues. They found that, overall, little progress had been made. However, the Committee recognised that the Government Business Plan and population policy development was in its infancy and was reassured by the Group's stated intention to meet more regularly, at least monthly, and its commitment to develop a prioritised plan for individual Departments to action. The Committee was also reassured by the Group's offer to share information and to meet with Scrutiny again in the future.

In addition to the above, the Committee has queried the respective roles of the Demographics Policy Group and the recently formed Labour Utilisation Strategy Group, both working groups of the Policy Council but with seemingly overlapping mandates.

The Committee expects meaningful and significant progress to have been made by April 2008 and will be monitoring progress and reviewing actions as they come forward.

The Corporate Housing Strategy and Programme

Scrutiny has questioned the performance of the Corporate Housing Strategy and Programme and continues to monitor progress.

A lack of clarity was the focus of Scrutiny's concerns with the December 2007 States Reports relating to the Corporate Housing Programme (CHP) (Billet d'Etat XXV 2007).

The Committee considered that reasonable progress had been made in taking forward initiatives, but the Reports failed to clarify how the overall Strategy has performed.

In particular, the Committee was frustrated by the lack of available data, acknowledged in the States Reports, for example the absence of accurate statistics for how many new houses have been built. The Committee noted that the Policy Council intends to employ a new member of staff to improve the data collection.

The absence of data was commented on in the 2001 Housing Needs Survey and has subsequently been highlighted by the Housing Department. States Departments are subject to a 2003 States Resolution directing them to contribute to the Corporate Housing Strategy as required. It would appear to the Committee that this Resolution is not being implemented effectively.

The Committee highlighted recommendations for improving the reporting of progress against the Programme in the future and for clarifying performance against the Strategy objectives. This is another area for ongoing monitoring.

Key Worker Housing

The Committee questioned the effectiveness of corporate strategy in relation to policies for Key Worker housing, as presented in the Green Paper considered by the States at its March 2007 meeting.

The Committee raised concerns with the Ministers of Housing Department and Health and Social Services Department about the Green Paper (Billet d'Etat XI, 2007) and how it was presented. Members considered that neither the propositions nor the majority of the Report reflected the title of the States Report, which refers to "*the Island's Needs for Key Workers*", as the focus of the Paper was on certain posts within the public sector only. This may well be the subject of ongoing scrutiny when the proposed policy returns in due course to the States for further consideration.

Corporate Anti-Poverty Programme and Strategy

The Committee has been actively monitoring the commitments made to develop the Corporate Anti-Poverty Programme and Strategy.

The Committee was not convinced from the published update report in the May 2007 Billet (Billet d'Etat XIV) that the necessary work had been done to assess properly the effectiveness of the Programme in meeting the States approved target of halving relative poverty in Guernsey. The Committee's principal concerns were that objectives, priorities and resources were not clearly identified and it was, and remains, difficult to assess the impact and performance of the underlying strategy.

The Committee has noted that relative poverty is not included within the Sustainable Guernsey report and feels that it should be.

The Committee will continue to liaise with the Policy Council's Social Policy Group to monitor progress in taking this corporate strategy forward.

Interim Financial Report

The Interim Financial Report 2007 was debated by the States at the September meeting.

The Treasury and Resources Department had written to all States Members proposing to seek the withdrawal of the Interim Financial Report (IFR) from debate, but reconsidered following Scrutiny's request.

The Committee considers, as a point of principle, that the concept of accountability to the community, let alone strengthening accountability under the Government Business Plan, would render inappropriate any proposal not to debate the Interim Financial Report.

States Apprenticeship Scheme

The Committee has begun initial investigations into the performance of the States Apprenticeship Scheme.

At this stage the Committee has obtained an initial progress report from the Education Department on its development of the States Apprenticeship Scheme, since it was last considered by the States in July 2000 (Billet d'Etat XVIII).

The Committee is interested in the Scheme as a service delivery issue, but is focusing initially on how it links with policy relating to identifying and addressing the Island's skills gap. This issue has connections to the Population and Migration Strategy and Key Worker housing policy, which the Committee has already considered. It also connects to the proposed development of a Workforce Development Plan under the Government Business Plan. The Committee will be looking for how the Apprenticeship Scheme will be contributing to this important policy.

Social Policy

“The Committee has adopted a specific aim to identify any gaps in policy as part of its challenge to decision-makers.”

The Committee has identified what it believes to be a gap in government strategy, relating to the coordination of social policy.

In March 2007, the Committee wrote to all States Members and to the Policy Council’s Social Policy Group to put to them some ‘big picture’ questions to investigate the fundamental objectives underlying various aspects of social policy and provision. As the Strategic Economic Plan seeks to set out an umbrella future economic policy under which other relevant States policies can be coordinated, the Committee believes that the statement in the Corporate Agenda relating to social policy needs to be developed in a similar way.

The Committee is meeting with the Social Policy Group early in 2008 for an update on the progress it has made in developing and coordinating social policy. The Committee has asked the Group if it is able to identify what ‘social’ benefits or services are currently provided by the States, why this assistance is provided, who are the key providers of ‘social’ benefits or services, who are the key customers or beneficiaries and how is government provision of ‘social’ benefits and services accountable to the public and its performance measured? The Committee has also requested some background on what the Social Policy Group perceives its role to be and its future work plan.

Fees and Charges

Some progress has been achieved following the Committee’s challenge to the lack of corporate coordination of government fees and charges.

In April 2007, in response to the Committee’s previous comments on the corporate coordination of fees and charges, the Treasury and Resources Department stated that it would continue to work with the Social Policy Group to monitor the impact of tax raising initiatives. The Department stated that its firm belief was that the route to supporting the less well off should be via the Supplementary Benefit System and that it will work with the Social Security Department to establish the most appropriate mechanism to protect individuals most affected by the introduction of new taxation tariffs.

The Committee raised concerns about the absence of plans at a corporate level to prioritise income generation. Subsequently, the Policy Council directed the Treasury and Resources Department to prepare a States Report on this matter. The Treasury and Resources Department helpfully provided the Committee with early sight of its resulting States Report entitled *Fees and Charges*. This Report provided Departments with outline corporate evaluation criteria for setting fees and charges.

“The Committee aims to highlight good and bad practice in service delivery issues, with a particular emphasis on lessons that can be learnt corporately.”

— Deputy Jean Pritchard, Chairman

Complaints Monitoring

In November 2007, the Scrutiny Committee published its monitoring report on the progress made by the States in improving its handling of customer feedback, particularly complaints.

Two years on from the Scrutiny Review of *Complaints Policies and Appeals Procedures* and the Scrutiny Committee has been disappointed that Departments have not placed a higher priority on improving their handling of complaints and general customer feedback. However, there has been an encouraging commitment, to varying degrees, from seven of the ten States Departments to signing up to a positive culture for dealing with customer feedback and for progressing their individual policies and procedures to facilitate this.

The Committee’s follow-up suggests that the Review recommendations have had a positive effect in improving the provision of States services. However, the Committee considers that there is still a long way to go to demonstrate that Departments are signed up to a culture in which complaints are welcomed, valued and dealt with appropriately. The Committee trusts that its original Review Report and recent Monitoring Report will be of use to Departments and the Policy Council in pursuing their obligations under the Government Business Plan to improve further their handling of complaints, in order to respond more effectively to customer needs.

The Monitoring Report has been submitted to the States for discussion at the January 2008 meeting.

Staff Number Limitation Policy

The Treasury and Resources Department reported to the States in December 2007 on its proposals for a new staff number limitation policy, following Scrutiny’s Review recommendation to base this on a cash-limit model.

The Committee’s Review Report was considered by the States at its February 2007 meeting and the Treasury and Resources Department was directed to report back with an alternative policy for controlling staff numbers, taking into account the Scrutiny recommendations in its Review Report.

The Committee was pleased to be provided with early sight of the Treasury and Resources Department’s States Report and considered the proposals to be a step in the right direction, especially taking into account the clear disadvantages to service delivery of the previous SNLP identified in the Committee’s Review Report.

The Committee will continue to monitor the progress of Departments, coordinated by the Treasury and Resources Department, in implementing the Scrutiny recommendations made in its 2006 Review Report.

Crucially, the Committee has highlighted that there is still a need to confirm the reporting and monitoring structure and to produce the base-line figures against which performance of the new policy can be reviewed and assessed. The Committee understands the Treasury and Resources Department will be producing these shortly.

Milk Distribution Proposals

The Committee continues to monitor the outcomes of its Review recommendations concerning the distribution of milk.

The Committee's Review Report on the Commerce and Employment Department's Milk Distribution Proposals was submitted to the States at the same time as the Commerce and Employment Department's revised strategy for the future of the dairy industry, which was considered by the States in April 2007 (Billet d'Etat XIII, 2007).

The Committee will be reporting on its monitoring of the outcomes of its Review recommendations in due course.

RELATIONSHIPS

The Public and Community

The Committee encourages accessibility to and public participation in the scrutiny process and aims to reflect the concerns of the public and its communities.

The Committee's involvement will inevitably help shape decisions and influence policy, but it is not a policy-maker. The Committee has been careful not to do the job of Departments for them and consequently has largely remained out of the public eye this year whilst concentrating on encouraging Departments to improve their own dissemination of information to the public. For example, the Committee urged the Treasury and Resources Department to issue clear examples of how the imminent tax changes would affect people, which the Department acted on.

To ensure transparency in the Committee's work, it has made information available through its section of the States of Guernsey government website (www.gov.gg/scrutiny), for example publishing exchanges of correspondence and briefing papers on various topics being monitored. The Committee's website pages have received 2745 hits in 2007, compared to 2205 in 2006.

It will be important to raise the public profile in 2008 in order to meet the Committee's commitment to encourage greater public participation.

States Members and Departments

There is evidence that the role of Scrutiny is taken seriously by Departments, which have been extremely cooperative with, and supportive of, the scrutiny process. Several Departments have been willing to provide early sight of proposed policies and States Reports, which is essential to Scrutiny's monitoring of policy development.

The Committee has not had a high public profile in 2007, but those Departments or Policy Council working groups that we have been closely monitoring have certainly felt our presence! The Committee has fostered an open dialogue with States Members and Departments, which it hopes to continue into future Reviews.

PROCESSES AND PROCEDURES

Corporate Policy Planning Process

The Committee has been discussing its role in the policy planning process with the Policy Council's Government Business Plan Team and considering what involvement would be appropriate. The Committee has decided it will undertake its scrutiny role in relation to the Government Business Plan (GBP) in the same way as it would in any other examination of policy matters or States Reports, notwithstanding its recognition of the GBP as a major development in the working of the States. This will enable the Committee to monitor and review the GBP from an independent position through a continuing programme in which it can set its own priorities and target resources to areas that appear to merit scrutiny.

The Committee has requested early sight of updates to the GBP so it can begin its consideration of this as a parallel work stream to the continuing development of the Plan, rather than as part of a linear process.

Guidelines

"The House Committee is pleased to commend the guidelines on special interests as a statement of good practice to all departments and committees"

- Deputy Bernard Flouquet, Chairman,
House Committee

The Committee published its guidelines on *Special Interest* and on *Disclosure and Protection of Information* and circulated these to Departments and Committees. These were very well received and the Committee is grateful for the feedback. The Committee had intended to update its *Guide to Scrutiny in Guernsey* in 2007 but felt it appropriate to delay this until 2008. The Committee believes its guidelines have stood the test of time and anticipates that only minor amendments will be required to update them after handing the baton to a new Committee in May 2008.

Evaluating and Monitoring Scrutiny

In our first performance report *Scrutinising Scrutiny* we recognised the requirement for the Committee to formulate objective measures against which its own performance can be gauged and to identify areas for improvement, particularly given the Committee's expectation that Departments' policies and service delivery is similarly monitored using qualitative and quantitative data.

The Committee ensures its performance is monitored in the following ways:

- The publication of a performance report annually;
- Monitoring the outcomes of Scrutiny recommendations and publishing ad hoc Monitoring Reports;
- Publishing key correspondence and updates on its work to ensure transparency and so that Scrutiny work is accessible to public scrutiny;

- Issuing an open invitation to the public to provide feedback on Scrutiny through any publications and the website and facilitating this with easy to complete forms; and
- Monitoring and recording the number of 'hits' to the Committee's section of the government website, the number of published Reports issued and attendance at hearings.

Committee Members will also shortly be completing a self-evaluation questionnaire and publishing the results as a benchmark for future self-assessment.

Training and Development

The Committee is in the process of identifying a recommended induction (or re-induction) plan for its new Membership after the April/May 2008 elections.

Committee Members hosted a knowledge-sharing meeting with representatives of our scrutiny counterparts in Jersey, the President and Vice-President of the Chairmen's Panel and the Scrutiny Manager, on 31st August 2007. The Committee also invited Guernsey's Chief Minister, the States Chief Executive and the Chairman and Chief Officer of the Public Accounts Committee for part of the discussion. Members attending found this discussion extremely informative. The system of government and scrutiny's role within it is very different in Jersey to Guernsey, but the scrutiny functions experience very similar problems and examine similar topics. The Committee will continue to liaise with its Jersey counterparts to share and learn from each other's experiences.

The Committee is committed to the personal development of its staff, where this is relevant to their role and contribution to Scrutiny. To this end, the Committee is supporting its Scrutiny Officer in undertaking a two-year Masters in Business Administration.

RESOURCES

The Committee has a strong team of three full-time members of staff at Senior Officer level. A priority for 2008 will be appointing a new Chief Scrutiny Officer to replace Mr Roger Domaille, who will leave the Civil Service in March 2008.

In 2007 administrative support provided by the Policy Council's Government Business Unit was significantly cut back. A further priority for 2008 therefore is to find a suitable arrangement for replacement support, particularly for taking the minutes in the Committee's meetings, either through additional staff or temporary contract staff on an ad-hoc basis.

The Committee was responsible for a revenue budget of £200,000 for 2007, approximately 0.07% of total planned States expenditure. The budget and the estimated outturn for 2007 are shown in the following table.

	<u>Published</u> <u>Budget</u> £	<u>Authorised</u> <u>Budget</u> £	<u>Estimated</u> <u>Expenditure</u> £
Staff	179,000	179,000	163,000
Supplies and Services	10,000	11,700	2,500
Consultants Fees	11,000	9,300	1,000
Total	200,000	200,000	166,500

THE YEAR AHEAD

The Committee membership will be changing following the April 2008 elections so the new Committee will be deciding its agenda from May 2008. The following work streams will be the focus for the current Committee for the next four months and the Committee recommends to its successors that these be continued in the new term.

Monitoring

- Presentation of the Committee's Monitoring Report on *Complaints Policies and Appeals Procedures* to the States in January 2008
- Implementation of *Milk Distribution Proposals* Review recommendations
- Implementation of the Committee's recommendations in its *Staff Number Limitation Policy* Review Report
- The next stages of the Government Business Plan and response to the Committee's previous comments on the GBP
- Development of population and migration policies
- Implementation of fiscal and economic policies, including the Economic and Taxation Strategy
- Development of corporate social policy, in particular in progressing the Corporate Anti-Poverty Strategy
- The Corporate Housing Strategy and the development of key worker housing

Role and Relationships

- Continue to develop Scrutiny's role in relation to the policy planning process and the Government Business Plan
- Liaise with the Policy Council and House Committee on issues regarding the roles of the Public Accounts Committee and Scrutiny and the Committee membership

Administration

- Update the Committee's processes and procedures and the *Guide to Scrutiny in Guernsey*
- Identify Scrutiny core skills and prepare an induction (or re-induction) process for the new Scrutiny Committee post elections and training for the new staff team
- Complete a self-evaluation questionnaire for future benchmarking and develop further indicators for measuring Scrutiny's performance
- Improve and develop the Committee's website

Reviews

- Research the service delivery and corporate context of the States Apprenticeship Scheme for possible future Review
- Identify at least three issues for Scrutiny Review/Study. It is anticipated that at least one topic will be subject to public Review

GET IN TOUCH

Submit Your Scrutiny Topics

Is there an issue you feel Scrutiny should be looking at? The Committee welcomes suggestions for Review subjects from members of the public, groups, politicians or public sector staff. Of course we cannot look at everything and topics must fit with the Committee's role and mandate as set out on page 2. Guidance on the Committee's criteria for topic selection is available on the internet at www.gov.gg/scrutiny, or please feel free to contact the Committee's staff.

If you would like to submit a suggestion for a subject for scrutiny, please feel free to write to us by post or email, outlining the reasons why you feel it would be a suitable topic for investigation. If you would like advice before submitting your suggestion then please feel free to contact the Committee's staff on 717000.

General Feedback

Scrutiny is an evolving process and we are always looking for ways to improve. Let us know how you think we are doing and what we could do better. Have you contributed towards a Scrutiny investigation? What was your experience of the scrutiny process? Do you feel the Reviews and subjects of investigation described in this Report are relevant and important to holding government to account?

If you have any views, suggestions or questions on the role, processes or procedures of Scrutiny in Guernsey, then we would welcome hearing from you.

Further Information

Website: www.gov.gg/scrutiny
 Telephone: 01481 717000
 Email: scrutiny@gov.gg
 Address: Scrutiny Committee
 Sir Charles Frossard House
 La Charroterie
 St Peter Port
 Guernsey
 GY1 1FH

APPENDIX A

Progress Against the 2007 Action Plan

PROJECT	ACTION
Present the Review Report on the <i>Milk Distribution Proposals</i> to the States in conjunction with the Commerce and Employment Department's States Report for the future of the industry.	Done (see p12)
Publish a Monitoring Report on the <i>Milk Distribution Proposals</i> Review.	Expected 2008 (delayed from 2007 whilst monitoring continues)
Publish guidelines on how the Committee will be dealing with 'Special Interest' and 'Protected Evidence' to supplement the <i>Guide to Scrutiny in Guernsey</i> .	Done (see p14)
Present the Committee's <i>Staff Number Limitation Policy</i> Review Report to the States of Deliberation.	Done (see p11)
Monitor the implementation of the Committee's recommendations in its <i>Staff Number Limitation Policy</i> Review Report.	Ongoing 2008
Complete the Committee's Operational Plan for submission to the Government Business Plan.	Done
Monitor Departmental Operational Plans as part of the Government Business Plan process.	Done
Publish a Monitoring Report on the progress made as a result of the <i>Complaints Policies and Appeals Procedures Review</i> .	Done (see p11)
Update the Committee's processes and procedures and the <i>Guide to Scrutiny in Guernsey</i> .	In progress (delayed from 2007) (see p14)
Develop the Committee's monitoring schedule and continued monitoring of the Road Transport Strategy, Waste strategies, the Drug and Alcohol Strategy, Economic and Taxation Strategies and the Resolutions on Palliative Care.	Ongoing

Continued research and investigation into issues relating to aspects of Social Policy, corporate prioritisation, Key Workers, Population and Consultation Processes.	Ongoing
Complete one Review.	Not completed for 2007
Complete two Scrutiny Studies.	The Committee has produced papers on <i>Population and Migration</i> policies and on the GBP, and published updates on its ongoing monitoring work streams
Develop a self-evaluation model and system for monitoring scrutiny outcomes and performance indicators.	In progress
Identify Scrutiny core skills and a suitable training programme.	Revised deadline from end 2007 to April 2008
Hold a seminar presentation of the role and work of scrutiny for States Members and the public.	On hold
Publish Scrutiny's second performance report for 2007.	Done
Liaise with Policy Council and House Committee on issues regarding the roles of PAC and Scrutiny and the Committee Membership.	Ongoing
Monitor the progress of the Government Business Plan with a view to developing a model for Scrutiny's role in the policy planning process by end of 2008.	Ongoing
Improve and develop the Committee's website.	Ongoing

APPENDIX B

Scrutiny Objectives, Aims and Outcomes

Strengthening Accountability “Utilise scrutiny processes...to ensure that the Policy Council, States Departments and Committees are held accountable for the successful implementation of the Government Business Plan...[and] Ensure that there is consistency between overall government objectives and the way in which services are delivered to the client, identifying any shortfalls...[and] continually evaluate the effectiveness of service delivery, so that pressure to improve performance is maintained.” (Government Business Plan Priority 12)		
High-Level Objectives	Specific Aims	Outcomes
Make a positive impact on service delivery	Highlight good and bad practice in service delivery issues, with a particular emphasis on lessons that can be learnt corporately.	Investigations and Reviews of corporate or particular service delivery issues and recommendations for improvement.
Provide an effective challenge to government decision-makers	Help policy-makers to question and fully engage with policy proposals whilst still in development.	A letter of comment or Scrutiny Study to be published and circulated to States Members in advance of debate of subjects considered important for scrutiny.
	Identify any gaps in policy.	
	Strengthen accountability of States Members, Departments and Committees in the delivery of government services.	Coordination of Scrutiny work programme with the corporate planning process.
		Specific Reviews of performance against GBP Priorities.
	Investigate the performance and effectiveness of States or Departmental decisions in ‘post-hoc’ scrutiny.	Monitoring delivery of States Resolutions.
		Ad hoc post-implementation reviews of the performance and outcomes of States or Departmental decisions.

Encourage accessibility to and public participation in scrutiny	Ensure transparency of the scrutiny process and procedures.	Issue of updates to Scrutiny processes and procedures and publication of a process 'audit trail' for Reviews.
	Canvass the views of the general public and representative groups on specific Review subjects.	Issue of press releases, advertising and letter invitations to comment from known representative groups.
	Develop user-friendly forms and processes for submitting views to Scrutiny.	Dissemination of information through the website, through third parties such as the media and Citizen's Advice Bureau and leaflets at public places.
	Improve customer information on the role of Scrutiny and how to get involved.	
Reflect the concerns of the public and its communities	Provide a forum for discussion and the expression of a public voice and act as 'honest broker' to objectively compare differing and sometimes conflicting viewpoints.	Reviews undertaken in response to public concerns and / or with a strong public response.
Work effectively with Departments and Committees; politicians and their senior management	Develop clear guidelines and transparent processes for how Departments, Committees, politicians and civil servants engage with Scrutiny and what they can expect from their involvement in the process.	New and/or revised guidelines issued to Departments/ Committees and published on the internet.
	Develop a 'critical friend' relationship with Departments and Committees, in which Scrutiny is viewed as a constructive and not obstructive process.	Departments and Committees actively seeking to keep Scrutiny informed of policy developments at an early stage.

Develop Committee Members' involvement and ownership of the scrutiny process	Ensure that all Members actively participate in Scrutiny Reviews and investigations.	Regular review of allocation of workloads in a shared work programme.
		The appointment of sub-groups and/or lead Members on particular subjects.
	Ensure that all Members are provided with an induction to Scrutiny processes and procedures and training as appropriate.	Induction information pack provided to new Members.
		Identification of key skills for Scrutiny and an appropriate training programme.

(NB The Policy Council supports the proposals.)

(NB The Treasury and Resources Department has no comment on the proposals.)

The States are asked to decide:-

XV.- Whether, after consideration of the Report dated 10th January, 2008, of the Scrutiny Committee, they are of the opinion:-

1. To note the Scrutiny Committee's 2007 performance report entitled *Strengthening Accountability*.
2. To encourage States Departments and Committees to continue to give support to, and cooperate with, the Scrutiny process.

HOUSE COMMITTEE

STATES COMMITTEES - ELECTIONS

The Presiding Officer
The States of Guernsey
Royal Court House
St. Peter Port

25th January 2008

Dear Sir

EXECUTIVE SUMMARY

This report proposes an amendment to the Rules of Procedure to provide that, in the elections held quadrennially following each General Election of People's Deputies, members of committees shall be elected before members of departments.

REPORT

1. Rule 20(1) of the Rules of Procedure of the States of Deliberation states -

“The elections held quadrennially following each General Election of People's Deputies shall be held in the following order:

- (a) Chief Minister*
- (b) Ministers*
- (c) one of the Ministers as Deputy Chief Minister*
- (d) Chairmen of Committees*
- (e) Members of Departments*
- (f) Members of Committees*
- (g) Chairmen and Members of Non-Governmental Bodies*

and the Chief Minister shall determine the order in which the Ministers and Chairmen are elected which same order shall be followed in electing Members of Departments and Members of Committees.”.

2. The Policy Council has advised the House Committee that it considers that there would be benefit if the elections of ordinary committee members were to be held before the department elections.
3. There is a perception in some quarters that membership of a committee is in some way inferior to membership of a department. The House Committee does not subscribe to this view: indeed it believes to the contrary that the committees of the States have a vital rôle to play in the administration of this Island. For that reason, therefore, it concurs with the Policy Council that there would indeed be advantage if the committee elections took place before the department elections.
4. Whilst that position is right in respect of the ordinary membership, the House Committee has concluded that ministers should continue to be elected before committee chairmen as the Policy Council is the prime body and must, therefore, be elected first. That being so the only amendment required is that the order of sub-paragraphs (e) and (f) in Rule 20(1) be reversed.

Consultation

5. The Presiding Officer and HM Greffier have been consulted pursuant to Rule 14(5) of the Rules relating to the Constitution and Operation of States Departments and Committees. The Law Officers have also been consulted. The consultees raise no objections.

Recommendation

The House Committee recommends the States to resolve that sub-paragraphs (e) and (f) of Rule 20(1) of the Rules of Procedure of the States of Deliberation be deleted and that the following be substituted therefor:

- “(e) Members of Committees
- (f) Members of Departments”.

Yours faithfully

B M Flouquet
Chairman

(NB The Policy Council supports the proposals.)

(NB The Treasury and Resources Department has no comment on the proposals.)

The States are asked to decide:-

XVI.- Whether, after consideration of the Report dated 25th January, 2008, of the House Committee, they are of the opinion:-

That sub-paragraphs (e) and (f) of Rule 20(1) of the Rules of Procedure of the States of Deliberation be deleted and that the following be substituted therefor:

“(e) Members of Committees

(f) Members of Departments”.

HOUSE COMMITTEE

SUB-COMMITTEES, ETC.

The Presiding Officer
The States of Guernsey
Royal Court House
St. Peter Port

25th January 2008

Dear Sir

EXECUTIVE SUMMARY

This report proposes that the Rules relating to the Constitution and Operation of States Departments and Committees be amended to differentiate between Sub-Committees to which a decision-making function has been delegated and those whose primary function is to carry out research and formulate draft policy.

REPORT

1. Rule 16 of the Rules relating to the Constitution and Operation of States Departments and Committees allows the Policy Council, any Department or Committee (hereinafter referred to as “the parent body”) to constitute Sub-Committees for such purposes as shall be specified by the parent body and with the proviso that the parent body remains responsible for any act done on its behalf. Only voting members of the parent body are entitled to vote on matters before the Sub-Committee. Persons who do not have a seat on the parent body may be non-voting members of the Sub-Committee. The quorum is the whole number above one-half of the number of voting members.
2. The House Committee is aware that a number of Departments have felt unduly constrained by this Rule – particularly with regard to the use of non-States Members who may, or may not, be members of the Department. Some Departments may have sought to overcome the constraints of Rule 16 by establishing non-conforming sub-bodies which do not bear the style “Sub-Committee”. Of particular note are the “Groups” (or in one case “Team”) established by the Policy Council.
3. In drawing attention to the Policy Council Groups the House Committee does not intend to imply criticism of the Council. The Rule was made before the Policy Council had determined its modus operandi. Furthermore, and more generally, it is important to remember that the primary purpose of rules is to

ensure that the business of the States is undertaken in an orderly and proper manner rather than serving as encumbrances to good and effective government. For that reason the Committee has concluded that any relaxation of the present Rule 16 should apply not only to the Policy Council but also to Departments and Committees.

4. The work of Sub-Committees can be divided into two broad categories which, for ease of reference, are referred to as “type A” and “type B”. Type A Sub-Committees are those to which the parent body has delegated a decision-making function which binds the States or a particular Council, Department or Committee in a matter of policy or administration. The External Relations Group of the Policy Council is of this type as the Policy Council has delegated to it certain functions regarding international conventions. (The External Relations Group is properly constituted in accordance with Rule 16.)
5. Type B Sub-Committees do not carry out any delegated decision-making function. Rather, their primary function is to carry out research and to formulate draft policy. Such Sub-Committees report the fruits of their labour to the parent body. No decision can be promulgated without the agreement of the parent body.
6. There will, of course, be some hybrid Sub-Committees which have both delegated powers and a research function. Such Sub-Committees are to be regarded as type A.
7. The House Committee believes that the type A Sub-Committees should continue to be bound by the terms of Rule 16. However, it also believes that that Rule is too inflexible for the type B Sub-Committees and therefore recommends that a new Rule be introduced making provision for Sub-Committees which have not had delegated to them any decision-making power. For the avoidance of doubt it will be permissible for non-States Members to serve on these Sub-Committees. The opportunity is also taken to make it explicit that Rule 16 embraces subsidiary bodies styled other than as “Sub-Committee” regardless of the style employed. The detailed proposal is set out in paragraph 9.

Consultation

8. The Law Officers have also been consulted and raise no objections.

Recommendations

9. The House Committee recommends the States to amend, with effect from the 1st May, 2008, the Rules relating to the Constitution and Operation of States Departments and Committees, as follows:

- (1) In Rule 16 –

- (a) delete the title and substitute therefor –

“Sub-Committees with Delegated Responsibility”;

- (b) before paragraph (1) add –

“(1) This Rule applies in respect of any Sub-Committee to which has been delegated a decision-making function which binds the States or a particular Department or Committee in a matter of policy or administration.” and renumber paragraphs (1) to (6) as (2) to (7) respectively;

- (c) after the renumbered paragraph (7) add –

“(8) In this Rule the term “Sub-Committee” shall include other subordinate bodies, however styled.”;

- (2) After Rule 16 add –

“Other Sub-Committees

16A (1) This Rule applies to Sub-Committees other than those constituted pursuant to Rule 16.

(2) The Policy Council and any Department or Committee may, by resolution, constitute such Sub-Committees as it deems appropriate and for such purposes and with such membership and quorum as shall be specified in the said resolution, provided that the Council, Department or Committee shall remain responsible for any act done on its behalf.

(3) The provisions of paragraphs (6), (7) and (8) of Rule 16 shall apply to Sub-Committees constituted pursuant to this Rule.”.

Yours faithfully

B M Flouquet
Chairman

(NB The Policy Council supports the proposals.)

(NB The Treasury and Resources Department has no comment on the proposals.)

The States are asked to decide:-

XVII.- Whether, after consideration of the Report dated 25th January, 2008, of the House Committee, they are of the opinion:-

To amend, with effect from the 1st May, 2008, the Rules relating to the Constitution and Operation of States Departments and Committees, as follows:

1. In Rule 16 –

(a) delete the title and substitute therefor –

“Sub-Committees with Delegated Responsibility”;

(b) before paragraph (1) add –

“(1) This Rule applies in respect of any Sub-Committee to which has been delegated a decision-making function which binds the States or a particular Department or Committee in a matter of policy or administration.” and renumber paragraphs (1) to (6) as (2) to (7) respectively;

(c) after the renumbered paragraph (7) add –

“(8) In this Rule the term “Sub-Committee” shall include other subordinate bodies, however styled.”;

2. After Rule 16 add –

“Other Sub-Committees

16A (1) This Rule applies to Sub-Committees other than those constituted pursuant to Rule 16.

(2) The Policy Council and any Department or Committee may, by resolution, constitute such Sub-Committees as it deems appropriate and for such purposes and with such membership and quorum as shall be specified in the said resolution, provided that the Council, Department or Committee shall remain responsible for any act done on its behalf.

(3) The provisions of paragraphs (6), (7) and (8) of Rule 16 shall apply to Sub-Committees constituted pursuant to this Rule.”.

PUBLIC SECTOR REMUNERATION COMMITTEE

REVIEW OF PUBLIC SECTOR PENSION SCHEMES

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

30th January 2008

Dear Sir

On 2 November 2007 the States approved the Committee's Report dated 30 August 2007 entitled "Review of Public Sector Pension Schemes" (Billet d'Etat XVII, 2007).

The Rules necessary to give effect to the proposals in respect of the Public Servants' Pension Scheme were approved by the States at the December meeting (Billet d'Etat XXVI, 2007).

The Regulations which give effect to the proposals in respect of the Teachers' Superannuation Scheme – which is closed to new members – are attached as an Appendix to this Report.

The States is recommended to approve the making of the Teachers' Superannuation (Guernsey) (Amendment) Regulations, 2008.

Yours faithfully

J P Le Tocq
Chairman

The Teachers' Superannuation (Guernsey) (Amendment) Regulations, 2008

SI 2008/9

<i>Made</i>	<i>28th December, 2007</i>
<i>Coming into operation</i>	<i>1st January, 2008</i>
<i>Laid before the States</i>	<i>12th March, 2008</i>

ARRANGEMENT OF REGULATIONS

Part 1

General

1. Title, commencement and extent.
2. Interpretation.

Part 2

Amendment to Existing Scheme

3. Amendment to the Teachers' Scheme with effect from 1st January 2008

The Education Department, designated for the purpose of sections 1 and 3 of The Superannuation (Teachers and Teachers' Families) Guernsey Law, 1974, in exercise of the powers conferred on them by the said sections 1 and 3 and of all other powers enabling them in that behalf, hereby make the following Regulations:-

PART 1: GENERAL

Title, commencement and extent

1. (1) These Regulations may be cited as The Teachers' Superannuation (Guernsey) (Amendment) Regulations, 2008 and shall come into force with effect from 1st January 2008.

- (2) These Regulations shall have effect in the Islands of Guernsey, Herm and Alderney.

Interpretation

2. (1) In these Regulations,

‘Department’	means the Education Department (which has succeeded to the functions of the Council referred to in the Regulations)
‘Teachers’ Regulations’	means The Teachers’ Superannuation (Guernsey) Regulations, 2001
‘Teachers’ Scheme’	means the Teachers’ Superannuation scheme being the superannuation scheme which at the Change Date is regulated by the Teachers’ Regulations

- (2) The Interpretation (Guernsey) Law, 1948 shall apply to the interpretation of these Regulations.

- (3) In these Regulations,

- (a) reference to an enactment includes a reference to that enactment as amended, repealed, replaced, extended or applied by or under any other enactment;
- (b) reference to a section, paragraph, sub-paragraph, regulation, part or schedule is (unless otherwise stated) a reference to a section, paragraph, sub-paragraph, regulation, part or schedule of these Regulations.

PART 2: AMENDMENT TO THE TEACHERS’ REGULATIONS

3. (1) The Teachers’ Regulations are amended as follows:

Interpretation

Wherever in the Teachers’ Regulations there is a reference to the ‘Council’ this shall now be read and construed as a reference to the ‘Department’

Regulation 4(2)

Regulation 4(2) shall be amended by inserting at the end of that Regulation “except for

any partial pension taken by that person under Regulation 32(B).”

Regulation 6(1)(a), Regulation 15(5), Regulation 16(1), Regulation 17(5), Regulation 38(1)(a) and Regulation 41(1)(c)

Regulations 6(1)(a), 15(5), 16(1), 17(5), 38(1)(a) and 41(1)(c) shall in each case be amended by substituting ‘75’ for ‘70’.

Regulation 9(1) and Regulation 13(3)

Regulation 9(1) and Regulation 13(3) shall in each case be amended by substituting ‘6.5’ for ‘6’.

Regulations 10-14

Regulations 10-14 shall continue to apply to any person who has elected at any time on or before 31st December 2007 to pay additional contributions under any one or more of those Regulations including in relation to contributions to be paid following that election after 1st January 2008.

With effect from 1st January 2008 a person who otherwise would have been entitled to elect to make additional contributions under Regulations 10-14 inclusive except for the provisions of this Regulation shall not be entitled to elect to make additional contributions under Regulations 10-14 but may elect to purchase additional benefits in accordance with the following new Regulation 14A.

Additional Contributions

14(A).(1) A person in pensionable employment may, with the consent of the Department and subject to a medical report satisfactory to the Department, purchase additional benefits as the Department may approve, in accordance with the provisions of regulation 14(A)(2).

(2) Additional annual pension in multiples of £250 may be purchased by a person in pensionable employment by way of lump sum or periodical contributions (ascertained and certified as payable by the Actuary), up to a maximum total additional pension of £5,000 per annum. Such additional pension payable shall be increased from the date of purchase by the same rate of increase as other pension payable under regulation 42(1). The Department shall be entitled to review and amend from time to time the £250 purchase multiple and the £5000 maximum total additional pension able to be purchased by a person in pensionable employment.

Regulation 16(3)

Regulation 16(3) shall be amended by deleting the word ‘and’ on line 2 and inserting the following ‘, and 14A’.

Regulation 19 and Schedule 3

Paragraphs 19(6) and 19(9) of the Regulation and Paragraph 2(2) of Schedule 3 of the Regulations shall be deleted.

Regulation 21(1)(c)

In Regulation 21(1)(c) the words ‘or regulation 14A’ shall be inserted after the words ‘(Additional contributions for family benefits)’

Regulation 29

In Regulation 29(3) substitute for current subparagraph (c) new paragraph (c) as follows:

(c) falls within regulation 33(2)

In Regulation 29(4) substitute for current subparagraph (c) new paragraph (c) as follows:

(c) before he attains the age of 60, falls within regulation 33(2), and

Insert new Regulation 29(6A) as follows:

(6A) In Case F the person falls within regulation 32B

Insert new Regulation 29(13A) as follows:

29(13A) In Case F the person concerned shall be entitled to benefits as specified in regulation 32B.

Regulations 30(1) and 31(1)

Regulations 30(1) and 31(1) shall be amended in each case by inserting after the words “..... (Limitation of retirement benefits in certain cases),” the words “32(B) (Partial Pension)”.

Regulation 31A

The following new regulation shall be inserted as Regulation 31A:

Surrender of part of pension for lump sum

31A (1) A person shall have an option when taking their retirement benefits of taking up to 25% of the value of that part of their retirement benefits which is then being taken by way of a lump sum by surrendering £1.00 of annual pension for £12.00 of lump sum.

(2) The lump sum shall be calculated in accordance with the following formula:

$$A\% \times [(20 \times B) + C]$$

Where 'A' is the percentage opted for by the person up to a maximum of 25%

'B' is the annual pension entitlement, and

'C' is the amount of the retirement lump sum calculated in accordance with regulation 31

(3) For the avoidance of doubt:

- (a) the lump sum calculated and payable in accordance with this formula is inclusive of any retirement lump sum calculated in accordance with Regulation 31;
- (b) that having calculated the lump sum under the above formula the amount of the retirement lump sum shall be deducted and only the balance divided by 12 to ascertain the amount of the pension surrendered; and
- (c) that where the amount of the lump sum ascertained under the formula is less than the amount of the retirement lump sum payable, the option in regulation 31(1)(A) shall not be able to be exercised.

Regulation 32(7) and Schedule 6

In Regulation 32(7) the words 'and set out in Schedule 6' shall be deleted.

Schedule 6 shall be deleted in its entirety.

Regulation 32B

The following new regulation shall be inserted as Regulation 32B:

Partial Pension

32B. (1) This regulation applies in the case of any person in pensionable employment:

- (a) who is over the age of 55; and
- (b) is qualified for retirement benefits; and
- (c) who has given to the Department at least 12 months written notice (or such shorter period of written notice as the Department may accept in his particular case) of his election for a partial pension of not more than 75%

of his accrued retirement benefits on and after a date specified in the notice ('the partial pension notice'); and

- (d) where, immediately following the taking of a partial pension, the contributable salary of that person will be reduced by 25% or more from the contributable salary received by that person immediately prior to the taking of the partial pension.

(2) In a case in which this regulation applies the person concerned shall be entitled, in place of any other benefits to which he may otherwise have become entitled under any other provision of these regulations,

- (a) on the specified date, to an actuarially calculated proportion of the retirement lump sum payable in relation to that proportion of the accrued retirement benefits to which the partial pension notice relates as if he had left pensionable employment on that date; and
- (b) to an actuarially calculated proportion of the pension payable in relation to that proportion of the accrued retirement benefits to which the partial pension notice relates as if he had left pensionable employment on that date.

(3) The actuarially calculated proportions referred to in this regulation are such as are ascertainable by reference to tables prepared by the Actuary from time to time and published by the Department for the purposes of this regulation as at the specified date.

(4) A notice given under sub-paragraph (1)(c) of this regulation may be withdrawn, by a further notice in writing given to the Department by the person concerned, at any time before, but not on or after, the specified date.

(5) A person may not elect to take a partial pension on more than two occasions.

(6) Regulation 31(A) in relation to commutation of retirement benefits to lump sums shall be applicable to any person wishing to take a partial pension under this regulation 32B.

(7) Any retirement benefits payable to a person upon retiring (whether before or after reaching the age of 60) shall be reduced by the amount of the benefits paid under this regulation and the residual benefits together with any that accrue from qualifying service following the taking of the partial pension shall then comprise the basis of any further entitlement to retirement benefits.

Regulation 33

Regulation 33 shall be deleted in its entirety and replaced by new Regulation 33 as

follows

Enhancement of retirement benefits in case of incapacity or redundancy

33.(1) In this regulation 33 and elsewhere in these regulations

‘Total Incapacity’ means a state of health which precludes a person in pensionable employment from being employed altogether or allows that person to be employed only in a role carrying significantly lower weight and or responsibility than that from which the person by reason of that state of health has had to retire, and

‘prospective reckonable service’ means those years of reckonable service pursuant to regulations 22 and 23 that a person in pensionable employment would have accrued from the date that he retired to his 60th birthday on the assumption that he had continued in his current employment had he not been retired by the Department under this Regulation 33.

(2) If, in the opinion of the Department (having consulted with any relevant employer and taken medical and other relevant advice), a person in pensionable employment is unable effectively to discharge his duties by reason of ill health or some defect or disability of mind or body, he may be retired by the Department (or other relevant employer) before his 60th birthday and in such case he shall be entitled on his retirement to retirement benefits by virtue of regulation 29 (3) or (4) calculated as follows:

- (a) if he is retired by reason of Total Incapacity he shall be entitled to retirement benefits based on the member’s years of reckonable service plus one half of the prospective reckonable service; or
- (b) if he is retired under this regulation 33 other than by reason of Total Incapacity he shall be entitled to retirement benefits based on the member’s years of reckonable service; or
- (c) if the person’s years of qualifying service is less than 2 years, that person shall be entitled (whether he is retired for Total Incapacity or otherwise under this regulation 33) to a payment equal to 1/12 of the contributable salary and a retirement lump sum pursuant to regulation 31 or a refund of the member’s contributions plus compound interest at 3% per annum with yearly rests at each 31st December, whichever is the greater,

and provided that

- (i) in the case of (a) and (b) he had completed periods of the kinds described in regulation 28(8) totalling at least two years, excluding any contribution refund period, and

- (ii) that in any such case the application for payment is made within 6 months after the end of his pensionable employment.

(3) The Department may credit a person who has become entitled to payment of retirement benefits by virtue of regulation 29(5) by reason of redundancy etc with a notional period of additional service for the purpose of enhancing his retirement benefits by virtue of this regulation, so however, that such period shall not exceed whichever is the shortest of the following periods, that is to say-

- (a) the period of 5 years; or
 - (b) the period to the 60th birthday of that person;
- in each case adjusted pro-rata for qualifying part time employees; or
- (c) the length of the appropriate reckonable service of that person (as defined by regulation 22) divided by 4,

but in no other circumstances.

Regulations 38 and 39

Regulations 38 and 39 shall be amended by inserting as new Regulation 38 (6) and Regulation 39(9) respectively the following:

“This regulation shall not apply by reason only of the fact that a person has become entitled to payment of a partial pension under regulation 32(B)”

Regulation 39(8)

Regulation 39(8) shall be amended by inserting after the words “...previously become entitled under this regulation” the words “including any lump sum payable under regulation 31A,”

Regulation 39A

Regulation 39(A)(5) shall be amended by substituting the reference to “regulation 33(9)” with “regulation 33”.

There shall be inserted new paragraph (6)(A) as follows:

“6(A) Where regulation 29(6A) applies, subject to paragraph (7), a person’s entitlement to retirement benefits takes effect in accordance with regulation 29(13A).”

Regulation 45(2)(b)(ii)

Regulation 45(2)(b)(ii) shall be amended by substituting the words ‘three times’ for

‘twice’.

Regulation 48

Regulation 48 shall be amended as follows:

Add the following new sub-paragraph to regulation 48 (3)

- (c) a Qualifying Partner (subject to regulation 48(5) and (6))

Add new paragraph 48(5)

(5) Subject to the provision of Evidence of Financial Dependence a Qualifying Partner shall be entitled to the same benefits as a surviving spouse under these regulations except that the benefits payable to a Qualifying Partner shall be based on the deceased’s reckonable service accruing after 1st January 2008 but provided that this provision shall not prevent the person from buying in earlier reckonable service, subject to any other provision of these regulations, at any time whilst they are a person in pensionable employment. A reference in these regulations to a ‘surviving spouse’ shall, where the context requires in order to give effect to this regulation 48(5), include a reference to a ‘widow’ or ‘widower’ where those terms are used in these regulations and a ‘Qualifying Partner’.

Add new paragraph 48(6)

- (6) In these regulations

‘a Qualifying Partner’ means a person who has been nominated in accordance with these regulations by a person entitled to receive retirement benefits at any time before those retirement benefits have been paid, and who at the time of any claim satisfies the nomination criteria;

‘nomination criteria’ means:

- (i) that the person and the nominated partner are living together in an exclusive committed long-term permanent relationship; and
- (ii) that the person and the nominated partner are both legally free to marry or would have been able to do so if the person and the nominated partner had not been of the same sex; and
- (iii) that neither are currently in a registered civil partnership with a third party; and
- (iv) that the nominated partner is financially dependent

on the person or that the person and the nominated partner are financially dependent on each other; and

- (v) such other nomination criteria as the Department may from time to time require;

‘Evidence of Financial Dependence’

means evidence to the reasonable satisfaction of the Department to be provided at the time that any claim is made by the nominated partner for retirement benefits verifying financial dependency or interdependency and which may include some or all of the following and such other evidence as may be reasonably requested by the Department:

- that the person and the nominated partner have lived together in a shared household for not less than two years;
- that there was shared household expenditure;
- that children of the person and the nominated partner were being jointly brought up;
- that the person and the nominated partner shared bank accounts, investments, loans;
- that wills and or life insurance policies have been executed naming the person and nominated partner as the main beneficiary of the other;
- that mutual powers of attorney have been executed; and
- that the death of the person has led to substantive increased living expenses for the nominated partner.

Regulation 53(11)

Regulation 53(11) shall be amended by substituting “1/160” for “1/60”.

Regulation 56

Regulation 56(1) shall be replaced by the following new Regulation 56(1):

56(1) Subject to paragraph (11) a person’s average salary

- (a) where the material part of his average salary service is less than one year, his annual salary for that part;
- (b) where the material part of his average salary service is one year or more but less than three years, his full salary for the best consecutive 365 days of that part;

- (c) where the material part of his average salary is three years or more then either:
 - (i) his full salary for the last consecutive 365 days of that part; or
 - (ii) the average annual salary of the highest 3 consecutive years within the last 10 years, each of the selected years of remuneration being revalued (before averaging) by reference to any increase in the Guernsey Index of Retail prices to the retirement date.

whichever is the higher.

Regulation 56(4) shall be replaced by the following new Regulation 56(4):

- 56(4) Transitional provisions apply so that in any application of these regulations that has taken place or will take place in relation to a person to which regulation 56 (1) is relevant ('the event'):
- (a) in respect of an event that has occurred at any time on or before 31st December 2007 there shall be no change in the ascertainment of average salary service adopted at that time, whether in relation to any decision or calculation or payment as at the date of the event or at any time subsequently;
 - (b) in respect of any event occurring between 1st January 2008 and 31st December 2008 (both dates inclusive) Regulation 56 (1)(c)(ii) shall apply with the substitution of the word 'last' for 'highest' and with the deletion of the words 'within the last 10 years';
 - (c) in respect of any event occurring between 1st January 2009 and 31st December 2009 (both dates inclusive) regulation 56(1)(c) (ii) shall apply with the substitution of 'four' for 'ten' and thereafter in respect of each subsequent year there is applied a further increment of one year until the 1st January 2015 and thereafter when Regulation 56(1)(c) (ii) shall apply unamended.

In Regulation 56(5) the words 'the period of 3 years referred to in paragraph (4)' shall be deleted and substituted by the words 'any period referred to in 56(1)'

In Regulation 56(13) the reference to the States of Guernsey Civil Service Board shall be replaced by a reference to the States of Guernsey Public Sector Remuneration Committee.

Regulation 57(2)(b)

Regulation 57(2)(b) shall be amended by adding the following as a new sentence at the

end of that subparagraph:

In the event that any person in pensionable employment, as at 1st January 2008, would have, except for the application of any regulation having effect at any time on or before 31st December 2007, reckonable service of more than 40 years at the date of his 60th birthday, then, for the purpose of the calculation of reckonable service, including that acquired on or after 1st January 2008, that person shall be treated as having 40 years reckonable service as at 1st January 2008 or at the date of his 60th birthday if earlier.

Regulation 58(1)

Regulation 58(1) shall be amended to read:

58(1) Benefits are to be payable under this Part by the Department from the superannuation fund.

Schedule 1

In the definitions in Schedule 1

The definition of ‘Actuarially reduced’ shall be amended by deleting the words “set out in Schedule 6”

The definition of ‘Incapacitated’ shall be deleted.

Dated 28th December 2007

M. A. OZANNE

Minister
Education Department

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under the Superannuation (Teachers and Teachers' Families) (Guernsey) Law, 1974 and make provision for the Teachers' Regulations to be amended as follows:

Regulation 3 of these Regulations recognises the change brought about pursuant to the Resolution of the States 31st October 2003 when the function of The Education Council was transferred to the Education Department with effect from 1st May 2004.

The age of pensionable employment is extended from age 70 to 75 in **Regulations 6, 15, 16, 17 and 38** of the Teachers' Regulations.

In **Regulation 9** of the Teachers' Regulations the contribution rate for members of the Scheme is increased from 6% to 6.5%.

New **Regulation 14A** of the Teachers' Regulations is introduced by way of replacement of existing Regulations as to the basis on which additional pension benefits may be purchased by members. This allows the purchase of additional pension in multiples of £250 subject to an overall maximum of £5000 per annum. The purchase price for the additional pension is set by the Actuary.

Regulation 19 of the Teachers' Regulations and Schedule 3 which limit the total contributions able to be paid by a person to 15% of contributable salary have been deleted.

Regulation 29 of the Teachers' Regulations is amended to make a consequential amendment to new regulations 32B (Partial Pension) and 33 (Enhancement for Incapacity and Redundancy)

Regulation 32(7) and Schedule 6 of the Teachers' Regulations which sets out the Actuarial Tables to be used are deleted and the Actuary will in future use those tables as are appropriate from time to time.

Regulation 32B of the Teachers' Regulations now replicates the provisions in the Public Servants' Pension Scheme to allow a partial pension to be taken from age 55.

Regulation 33 of the Teachers' Regulations replaces the existing enhancement provision for incapacity and redundancy and now replicates those provisions in the Public Servants' Pension Scheme.

Regulation 39A of the Teachers' Regulations allows a person on retirement to take an increased lump sum calculated by commuting £1.00 of annual pension for £12.00 of lump sum.

Regulation 45(2)(b)(ii) of the Teachers' Regulations is amended to increase the death grant from twice salary to three times and contains similar provisions to those in the Public Servants' Pension Scheme.

Regulation 48 of the Teachers' Regulations is amended by adding a qualifying partner to those beneficiaries who may receive pension benefits upon a member's death subject to certain conditions being met.

Regulation 53(11) is amended to correct a textual error.

Regulation 56 of the Teachers' Regulations is amended to bring the definition of average salary upon which retirement benefits are calculated into line with the Public Servants' Pension Scheme so that the salary selected may be based on the average of three consecutive years in the last ten years, together with transitional provisions.

Regulation 57 of the Teachers' Regulations is amended to clarify that additional reckonable service can only accumulate over 40 years (to a maximum of 45 years) from the earlier of 1st January 2008 or that person's 60th birthday. This is because of the increase as from 1st January 2008 in the overall length of reckonable service that a person may acquire.

Regulation 58 simply clarifies that payments are made from the superannuation fund and not by the Department.

Other amendments are consequential upon the changes being made to the Regulations.

The Regulations come into effect from 1st January 2008.

(NB The Policy Council supports the proposals.)

(NB The Treasury and Resources Department has no comment on the proposals.)

The States are asked to decide:-

XVIII.- Whether, after consideration of the Report dated 30th January, 2008, of the Public Sector Remuneration Committee, they are of the opinion:-

To approve the making of the Teachers' Superannuation (Guernsey) (Amendment) Regulations, 2008

PUBLIC ACCOUNTS COMMITTEE

IMPLEMENTATION OF THE GUERNSEY INTEGRATED SOCIAL SECURITY SYSTEM

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

4th February 2008

Dear Sir

1. Executive Summary

- 1.1 In 1998 the Social Security Department (SSD) embarked on moving from a mainframe computer system, which had a limited life span, to a modern server based system, integrating benefit payments with the collection of contributions. The project, entitled the Guernsey Integrated Social Security System (GISSS) (called the technological migration in-house), went live in 2006, but only included the payment of benefits and not the modernisation of the contribution system. Completion of the benefit part of the project was only achieved by the determination and dedication of the staff at SSD.
- 1.2 In 2005 the Public Accounts Committee (the Committee) approved a review into the GISSS project and waited for the project to go live before finalising the arrangements. PricewaterhouseCoopers CI LLP (PwC) were commissioned to complete the review and their full report is appended to this States Report.
- 1.3 The partial completion of the project was protracted and encountered a number of difficulties and departures from accepted practices along the way from which the States can learn for future Information Technology (IT) projects. The lessons to be learnt are not dissimilar to those identified in previous States projects, such as following Prince2 Methodology and the outdated States Accounting and Administrative Guidelines.
- 1.4 Where this GISSS project differs from previous reviews carried out by the Committee is that the States had not approved the project nor been notified of the budget implications at the outset. They were, however, informed through the Policy and Resource Plan and Annual Accounts throughout the project.
- 1.5 Under the 1978 Social Insurance (Guernsey) Law, Section 100, SSD is

responsible for all expenses incurred in carrying out the Law. Therefore accountability for this project rests with the SSD.

- 1.6 The total cost of the project has been calculated at £9.232m against a budget of £6.187m. with completion date set at March 2005. The staff do not doubt the success of the project, but SSD has not carried a post implementation review or compared the final product against the initial aims, so it is difficult to quantify whether the system meets these aims.
- 1.7 The Committee's report provides further information on this large scale IT project, indicating that GISSS project was neither fully completed, nor on budget, nor on time and has not been assessed to ensure that it is fit for purpose.

2. Background

- 2.1 The Committee is mandated to examine whether public funds have been applied for the purposes intended by the States and to ensure that extravagance and waste are eradicated. To achieve this, the Committee commissions third parties to carry out reviews to ensure that the States of Guernsey achieves value for money. In 2007, PricewaterhouseCoopers CI LLP were commissioned to carry out a review into the GISSS.
- 2.2 In 2001 the former Audit Commission published a report on "Information and Communications Technology (ICT) in the States of Guernsey" based on a review carried out by PwC on the provision and use of ICT across the States of Guernsey.
- 2.3 The National Audit Office, as part of its contract with the States of Guernsey (through the Advisory and Finance Committee and transferred to the Committee), carried out six value for money risk reviews on Departments or Sections within the States of Guernsey. These risk reviews were to aid the newly constituted Public Accounts Committee to select topics for review and also to assist Departments to identify areas of risk. One of the risk reviews centred on the operations at SSD. In respect of the GISSS project the SSD risk review said:

Figure 1

<p>"This is clearly a high risk project for the Department and a value for money review to assess its effectiveness would be worthwhile, once the project is completed."</p>
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Source: NAO: A Review of Potential value for money risks at the Guernsey Social Security Department May 2004

- 2.4 During 2005 the Committee approved a review of the GISSS at Social Security Department and, in November of that year, at an informal meeting with the SSD, the interest of the Committee in the computer system was expressed.

- 2.5 PwC, having previously carried out work for the Audit Commission, were and are under contract with the States of Guernsey (now through the Treasury and Resources Department), to provide information technology audit reviews. They were approached in 2006 to carry out a more in depth review of the technological migration project called in this report the Guernsey Integrated Social Security System (GISSS), building on their knowledge of information technology systems in place throughout the States. The commissioning of the review received the full support of the former States Treasurer and Internal Audit Unit of the Treasury and Resources Department.
- 2.6 The review was put on hold until the project had gone live and terms of reference were finalised prior to the commencement of the review in 2007. SSD was informed of the review in May 2007 and the report finalised in early 2008.
- 2.7 This report comments on the findings and recommendations from the PwC review of the GISSS, evidence researched, given and received, and is fully supported by the Committee.

3 General Overview

- 3.1 The UK government has experienced a number of aborted attempts to modernise its computer systems some of which relate to awarding benefits indicating that implementation of benefit computer systems can be difficult¹. Therefore it is a credit to the staff at the Social Security Department and indicative of their dedication and determination to see this project through that it has met the majority of its objectives for benefits, albeit not on time, not on budget, not complete and not always following best and accepted practices.
- 3.2 There are many lessons that can be learnt from this information technology project, but these are not that different from those already identified from previous Committee reviews into construction capital projects.
- 3.3 In January 2006 the Committee reported to the States its findings regarding a 'Review into the Beau Sejour Redevelopment'. It identified that one of the main failings of the construction contract was the lack of corporate project management but also the expectation that senior management could manage projects in addition to their normal duties². With regard to this GISSS project it was identified that there was no continuous external staff support from elsewhere in the States - whether for project management, financial, IT or internal audit, and that again senior staff were expected to manage the project in addition to their main duties.

¹ Since 2000, the Department of Work and Pensions abandoned three major schemes costing a total of £1.6bn – new benefit card based on outdated technology; upgrade to the Child support agency computer; and a £140 m streamlined benefit payment system that never worked properly

² Billet D'Etat III, 25 January 2006, para 1.4, page 255

- 3.4 A further review on the St Sampson Pumping Station and Fire Main reported to the States as an appended report in April 2006³, questioned the project management. The project management in relation to GISSS also departed from best and accepted practices.
- 3.5 The third and final review on capital projects carried out by this Committee during its first term of office relates to the 'Investigation into the Award of the Clinical Block Contract' from February 2007⁴. This review recommended:

Figure 2

- “1. There is a need to determine whether the total funding requirements for capital schemes should be approved prior to undertaking detailed design work and inviting tender.
2. The process and procedures for letting, managing and scrutinising capital contracts needs to be reviewed and updated to take into account the Machinery of Government changes and public sector good practice.
3. Guidance for contract letting arrangements to clearly define roles and responsibilities.”

Source: Billet D'Etat V, 28 February 2007.

- 3.6 **Although the above recommendations were written for construction projects, they should also be applicable for all large projects**
- 3.7 **The Committee considers that, when updating the guidance, the Treasury and Resources Department (the Department allocated the task), should ensure that all large projects adopt and follow the same processes and procedures.**
- 3.8 When the GISSS project was first initiated in 1998, the States Administrative and Accounting Guidelines on States Tendering Procedures had been issued. Further guidance on best purchasing practices was released in 1995. The guidelines on Project Management and Post Implementation Reviews were issued in 2003. In September 2007 a Procurement Handbook was placed on the intranet to assist staff procure and includes sections on the whole tendering process. SSD accept that this guidance applied and applies to them.
- 3.9 In September 2001, the former Advisory and Finance Committee presented to the States the former Audit Commission's report on "Information and Communications Technology in the States of Guernsey".⁵ Again advice on the way that projects were administered was provided, but this time focusing on IT projects.

³ Billet D'Etat VIII, 26 April 2006, page 823

⁴ Billet D'Etat V, 28 February 2007,

⁵ Billet D'Etat XIX, 26 September 2001, page 1280.

- 3.10 In 2003 the Audit Commission promoted project management techniques, better guidance and managing risks in its report on Project Management⁶. In the covering letter to the appended report the former Advisory and Finance Committee indicated that good project management was essential to ensure successful implementation of project.⁷
- 3.11 **The Committee is of the opinion that there is much advice on how projects should be administered and these should be adhered to in order to prevent further failure in the delivery of projects carried out by the States of Guernsey, whether construction or information technology or other type of contract. The track record of the States in carrying out large scale projects must improve.**
- 3.12 In July 2007⁸ the States approved the adoption of the Government Business Plan. The Committee would be jointly responsible with Scrutiny Committee for ensuring that accountability would be strengthened. The States agreed that service delivery would be continually evaluated and value for money consistently obtained.
- 3.13 The participants in the GISSS project were the Guernsey Social Security Authority which, following the Machinery of Government changes, became the Social Security Department (SSD), the supplier Atos Origin (Atos), the benefit computer supplied by Cúram Software (Cúram), and consultants Deloitte and Touche (D and T).
- 3.14 In 2007⁹ the States recognised the accountability of each Chief Officer for the most effective provision of services within budgetary and staffing limits and agreed to include this in the their job descriptions. Under Section 94 of the 1978 Social Insurance (Guernsey) Law, the Administrator or Chief Officer of SSD, carries out duties assigned to him by or under the Law and as directed by the Authority.
- 3.15 **Relying on Section 100 of the Social Insurance (Guernsey) Law and its mandate, SSD took full responsibility for expenditure on this project.** There are lessons to be learnt from this project as outlined in the rest of this report.

4. Project History and Current Status

- 4.1 There were two phases to the implementation of the Guernsey Integrated Social Security System, Project 1 commenced in 1999 and was suspended in 2001 at a

⁶ Billet D'Etat XIII, 25 June 2003, page 1346

⁷ Billet D'Etat XIII, 25 June 2003, page 1342

⁸ Billet D'Etat XVIII, 25 July 2007, Policy Council – Government Business Plan 2007 (Policy and Resource Plan) Priority 12, Page 1426.

⁹ Billet D'Etat XVI, June 2007, Public Accounts Committee report on “Operations and Procedures”, page 1325

cost of £3,594,000 and Project 2, at an actual cost of £5,638,000, went live in 2006.

- 4.2 Figure 4 below indicates the key dates from Project 1 as extracted from the PwC report, which was gathered from minutes, correspondence and interview.
- 4.3 The role of this Committee is to identify where lessons can be learnt from projects so that the States can improve and develop what it does for future projects. Those learnt from Project 1 were to:
- be clear on what is needed from the outset and produce a detailed system specification;
 - re-tender and re-assess when re-commencing contracts with an alternative supplier;
 - agree terms and sign contract before proceeding;
 - understand the core functionality of the software being implemented
 - tender for consultancy work in accordance with the States tendering guidelines¹⁰.
- 4.4 Following the cessation of Project 1 in 2001, a series of workshops was held involving Atos, Cúram and SSD users which resulted in the drawing up of an holistic 1300 page detailed specification.
- 4.5 A National Audit Office report on the Department for Work and Pensions “Dealing with the complexity of the benefits systems” describes a similar situation to that encountered in Guernsey, whereby the computer systems being used dated back to the 1980s and new systems were developed from complex processes that were often not linked by computer¹¹. The exceptions to the main rules added to the complexity of the computer system. The report also suggested that policy is developed before seeking an IT solution and also considering the customer in the end product.
- 4.6 In 1996 the former Advisory and Finance Committee in its comments appended to the annual request to increase benefits said:

Figure 3

“The Committee considers that the time is opportune to re-examine the broader and fundamental issues of social policy and the funding of social security benefits.”

Source: Billet D’Etat XIII, 26 June 1996, page 812

¹⁰ Billet D’Etat II, 27 February 2008, PAC Report on “Using Consultants appropriately in the States of Guernsey”

¹¹ NAO Report, “Department for Work and Pensions Dealing with the complexity of the benefits system” 18 November 2005, paras 3.24 to 3.31 pages 47 to 48.

Figure 4**Timeline of key dates for Project 1:**

- 1994 Tender for preferred IT supplier for 5 years, contract awarded.
- 1996 Contract terminated and second choice from tender, Atos, was appointed.
- 1998 Atos commissioned to produce Technology Plan, approved by SSD Board on 18 February.
Atos completed a Business Process review and Strategic Framework Model at a budgeted cost of £100,000 with the aim to integrate benefits and contributions in one system.
- 1999 Strategic Framework Model approved 17 February along with a proposed development of a Programme Planning Stage with budget of £248,408.
- 2000 The proposal changed from bespoke application to basing the system on an existing software solution designed by Cúram.
D and T, (the then external auditors) reviewed revised business plan and recommended SSD negotiate a framework agreement contract with Atos. 10 year costs put forward were £6.7m for Cúram based solution, bespoke Atos solution £8.83m and do nothing £4.46m for both benefits and contributions.
Cúram option unanimously agreed by SSD Board on 19 April.
Pilot phase of sickness benefit was built April to October 2000.
In November the Board approved a budget of £4.6m for full two year customisation of Cúram framework and benefits customisation plan proceeded.
- 2001 In June Atos and Cúram indicated increase of costs as a result of a greater understanding of SSD's needs and of Cúram functionality.
The project was suspended by SSD Administrator on 14 June.
Atos produced fixed price proposal on a two phased approach – developing benefits and leaving contributions on mainframe system.
D and T to negotiate price with Atos.
- 2002 Atos final proposals were considered 31 January 2002; £8.8m for full system, £9.9m if in two phases or £4.23 m for benefits plus bridge option (linking the new benefit system to the mainframe contribution system).
D and T, in two reports, indicated project only justified on non financial grounds and advised negotiation, contingency plan and return to market.
SSD Board voted by 4-2 majority to accept £4.3m bid on 13 March.
22 March D and T raised concerns over decision taken.
11 April SSD unanimously approved Atos benefits to bridge and discontinued taking advice from D and T.

Source PwC Report on Implementation of the Guernsey Integrated Social Security System, paragraphs 32 to 78 page 13 – 17.

- 4.7 Before embarking on a new computer system a review should be carried out on existing systems to ensure that they are fit for purpose and to ensure that other methods of paying benefits are not more desirable. The Committee was unable to ascertain the last time that a full review was carried out on the appropriateness and administration of benefits, but found that in the 2001 Policy and Resource Planning Report:

Figure 5

“The Social Security Authority began the review of the Social Insurance Law and its subsidiary legislation in 1999 in order to identify areas of gender inequality. Due to other priorities, principally the long-term care insurance scheme and technological migration, work on this project was suspended during 2000.”

Source: 2001 Policy and Resource Planning Report, page 1037, para 3.7

- 4.8 **Full consideration and deliberation of what is needed should be made before commencement of a computer project, examining and re-examining all processes and procedures to ensure that the end product is right.**
- 4.9 In 2001 Project 2 commenced and the key dates are outlined in figure 6.

Figure 6

Timeline of key dates for Project 2:

2002 24 July 2002 fixed price contract for benefits and bridge solution was entered into with Atos.
Project suspended in September to allow upgrade of Cúram system – reduction in price £4.1m with proposed go-live March 2005.

2003 Project re-commenced in April with development of the system.

2004 Changes required to GISSS to include the Gender Equality changes made to the SSD legislation. The cost of these changes was £140,709 and extended the proposed go-live date to 29 April 2005.

2005 Final release received 31 January 2005 and extensive user acceptance testing followed. 8,500 development anomalies identified.

2006 March saw two options for going live – big bang or phased – Board approved big bang approach on 5 April.
August 2006 saw the authorisation of a support contract with Atos at a cost of £247,500 for one year plus £50,000 for transitional costs moving from project environment to support environment.
Went live 25 September 2006.
Atos was paid £420,000 in October 2006 and a further £642,706 in December.

2007 Project formally considered complete February 2007.

Source: PwC Report on Implementation of the Guernsey Integrated Social Security System, paragraphs 79 to 93 page 17 – 19.

- 4.10 The weaknesses found in Project 1 were, on the whole, rectified for Project 2. Further details on the Project 2 are described later on in this report under project execution.
- 4.11 The original project was not completed as the contribution part remains outstanding. The revised project commenced in 2002, was completed within five years but not by the end of January 2005, the date reported to the States in the 2003 Policy and Resources Plan¹².
- 4.12 The Government Business Plan under Priority 4, Level 3 in relation to redistribute of wealth wisely in the community states:

Figure 7

“Tax and Benefits

Investigate a more integrated tax and benefit system which targets those who are vulnerable to or suffering most from relative poverty, in order that Guernsey and Alderney residents are able to afford and benefit from essential services and essential personal items.....

- C. Consider how savings might be achieved by merging and consolidating the collection, payment and treasury systems which, at times, overlap in the respective mandates of the Treasury and Resources Department and the Social Security Department”.

Source: Billet D’Etat XVIII, 25 July 2007, Policy Council – Government Business Plan 2007 (Policy and Resource Plan) Page 1365

- 4.13 In July 2007 when the States accepted the Government Business Plan, the States supported SSD and Treasury and Resources undertaking a joint review to assess whether better value for money could be achieved by merging income tax and social security contributions collection, payment and treasury systems. Until the results of this review are debated, the recording of contributions will continue on the mainframe system at a cost of £344,000 per annum.

5 Project Objectives

- 5.1 The main objective of the project was to move from a mainframe computer system to a modern PC environment. A full business case to implement a combined benefits and contributions system (Project 1) followed consultation over a period of three years. However, when the benefit to bridge system was selected a further updated business case was not carried out by SSD. The business case would indicate the benefits of the new project and provide criteria on which the success of the project could be measured.

¹² Billet D’Etat XIV, 9 July 2003, page 1422

5.2 There are particular requirements of a computer system dealing with social security contributions and benefits:

- recipients of benefits are reliant on the timely and accurate payment of funds;
- system breakdowns affecting this service are not acceptable;
- contributions rely on the accuracy of their records, as they affect their eventual entitlement to benefits;
- the volume of records that must be kept is vast, even in a small jurisdiction such as Guernsey.
- a robust computer system is vital.

The Committee is aware of problems experienced in implementing new systems elsewhere, for example in the United Kingdom. The Committee understands and supports the concerns of SSD in this area.

5.3 SSD relies on its computer systems to reduce its staff costs and so other objectives were to improve and quicken processes and to provide better management information.

5.4 When implementing a new computer system it is best practice to ensure that all stakeholders buy into the project. SSD successfully involved its staff in the project but excluded the outside stakeholders, that of the customer or client recipients of the benefit system as well as States members not on its Board.

5.5 The move by the States from a Policy and Resource Plan to a Government Business Plan should result in the SSD acting more corporately as indicated by Priority 4 as stated in Figure 7 above.

5.6 Since the system went live in September 2006, there has been no assessment of whether the objectives and cost benefits have been achieved nor any consideration of carrying out a post implementation review. The States Administrative and Accounting Guideline for Project Management indicates that it is best practice that, following completion of a project, a review is carried out. The Committee understands that SSD did not plan to review the completed project and so is unable to confirm whether the GISSS project meets the aims of the project.

5.7 The Committee believes that all sizeable projects whether construction, information technology or otherwise, should be reviewed following completion to ensure that lessons learnt are used to improve performance for other future projects embarked on by States Departments and Committees and to assess whether the aims and cost have been met. In order to be open and transparent the States should be informed of the outcome of the project.

5.8 Although benefits are paid through GISSS, the original aim of the project for a fully integrated system for issuing benefits and collecting contributions has not

been fulfilled, as contributions still remain on the mainframe and are unlikely to be integrated as developments are moving towards linking contributions to tax collection.

6 Project Execution

- 6.1 **This project was completed because of the determination and dedication of the staff at SSD** and their negotiation with the suppliers to provide the system at a fixed price and to continue with it to its conclusion. As with any sizeable project carried out by the States, there were good and bad practices in respect of this project, and the PwC report describes these in full.
- 6.2 The journey to complete the project has been prolonged as SSD sought to find a solution to move from a computerised system on a mainframe to a modern alternative.
- 6.3 There are always lessons to be learnt whether specific to this development generally or throughout the States, as follows:

Tendering Procedures

- issue invitations to tender for all aspects of the project;
- select supplier in accordance with States tendering procedures or other guidance;
- not to award work to the second choice following a previous tender exercise;
- to consider sunk costs when appraising continuation or re-specification of a project;
- to finalise and sign contracts before work commences to protect the States should the contractors not fulfil the expectations;
- carry out a post implementation review to ensure that objectives have been met.

System Development

- update or revise system specification when changing or upgrading computer systems;
- research system functionality before acceptance;
- tailor Departmental needs to meet the system package;
- not to be the first to use new computer system packages and to use tried and tested packages.

Project Management

- ensure staff are suitably qualified and experienced to embark on the project;
- follow Prince2 methodology in full;

- allocate the role of project sponsor formally;
- ensure project management is not in addition to day to day duties;
- define roles of those involved in the project team, assigning responsibilities;
- limit the involvement of the supplier on the project board to an advisory role;
- check that supplier fulfil terms of contract on a regular basis;
- include corporate “experts” whether project managers, IT, finance and/or internal audit.

Corporate Governance

- define role and responsibilities of Departmental Board members;
- include the project as a regular item on the agenda of the Board to provide updates on project status and finances;
- ensure a full understanding of the scope of the review;
- substantiate advice rather than base decisions on informal views;
- consider and identify all risks¹³ for the project at outset and throughout;
- ensure Board approval before going live;
- seek States approval of major capital projects and regularly report developments.

Internal Controls

- involve internal audit in project to ensure internal controls are appropriate as project develops;
- evidence completion of tests;
- audit internal controls within the computer system once completed;
- obtain feed back on training from those being trained;
- negotiate support and maintenance contract.

6.4 The departure from best practices for this project far outweigh the good practices of the project and there is much to be learnt.

6.5 The Committee believes that the States must take heed of the advice and recommendations offered through its reviews so that project management is improved.

7. Financial and Ongoing Operating Costs

7.1 The appended report by PwC details, in paragraphs 116 to 118, the aims of the various stages of the project. In brief, the focus of the project was technology driven and to move from the mainframe system to one that was maintained in house and provided better use of human resources.

¹³ Billet D’Etat III, Public Accounts Committee report on “Risk Management and Insurance in the States of Guernsey”, para 4.21 page 312

- 7.2 Costs for project 1, a replacement benefit and contributions system, were prepared in 2000 and indicated staff efficiency savings of £456,000 and saved spending on legacy mainframe system of £3.96 m over a ten year period. By 2002, D and T indicated that the cost of a combined Contributions and Benefits solution would be £14.6m over the 10 year period and that the solution would provide efficiency savings of £200,000 per annum, enhancements costs of £1.6m and £400,000 per annum operational costs on the mainframe hardware and software. The SSD approved partial implementation and embarked on £4.3 m fixed cost Benefits and Bridge option, with no other costs being revisited.
- 7.3 The total cost of the GISSS project has been calculated by PwC as £9.232m against a budget of £6.187m and this excludes the internal costs which have been estimated at £1.456m, as well as the implementation of a contribution system. Whether the internal costs are added on or inflation factored in the overall budget the fact remains that **the original project was over budget and only partially complete.**
- 7.4 The Committee in reviewing other projects which have been “overspent” has always found that the States have been informed of the costs of the project at the outset whether mandated to seek approval from the States or not. Although the Committee has found instances when the States were notified of the project, **at no time was States approval sought or overall budget costs declared.**
- 7.5 SSD relied on the Social Insurance (Guernsey) Law 1978 to give it authority to proceed with this expenditure without reference to the States:

Figure 8

“There shall be paid into the Guernsey Insurance Fund all contributions payable under this Law, the States grant and any monies accruing to the Authority under and by virtue of this Law, and there shall be paid out of the said Fund all claims for benefits.....and all expenses incurred in carrying this Law into effect including the payment of salaries and the provision of equipment and accommodation in connection therewith”.

Source: Section 100, The Social Insurance (Guernsey) Law, page 55

- 7.6 In another of its reports, on Guernsey Water¹⁴, the Committee indicated that the legislation in use in that case was out of date. Similarly, the legislation under which SSD operates, dates back to the 1978 Law, although amended on a regular basis. This means that methods of collecting and spending £150 million per annum and management of £600 million in investments are devolved from main government, although, the Committee was informed, the central States administrative and accounting guidelines are adhered to. **The Committee is of the opinion that the legislation should be updated to reflect the new**

¹⁴ Billet D’Etat XXII, October 2007

government format (following the Machinery of Government changes in 2004) and corporate workings, so that the States approve all capital projects across the States prior to commencement and with regard to the prioritisation of capital projects.

- 7.7 Until such time that the Law is re-drafted, it is possible to amend the Law by Ordinance (as approved by the States in 2006¹⁵), this will ensure that the States approve large scale projects for SSD in consideration of all planned capital projects as part of its capital prioritisation programme.
- 7.8 SSD administer the fund in accordance with the law. SSD did communicate to the former Advisory and Finance Committee that they had ceased project 1 and again that SSD was resuming the work on phase 2 of the project in 2002, which was subsequently reported to the States in the 2002 Policy and Resource Planning Report as follows:

Figure 9

“...the Social Security Authority was resuming work on a full technological migration of its computer systems after suspension of the project in 2001. Substantial progress is expected during the remainder of 2002. The Authority considers a new computer system to be essential in terms of the future delivery of services and efficiency and its ability to take on new services such as the long-term care insurance scheme.”

Source: Billet D’Etat XV, 10 July 2002, page 1184, para 3.6.12

- 7.9 In May 2002¹⁶ the then Advisory and Finance Committee requested to be kept informed of the project. The Committee is unaware whether this was done at political level.
- 7.10 One of the main areas where it was intended that savings were expected related to the legacy mainframe. As contributions are still recorded on the mainframe system, the anticipated savings have not been achieved and SSD continue to pay £344,000 a year to maintain this, in addition to the support purchased from Atos for the new system of £550,000 per annum. This is renewed on an annual basis rather than the usual five year maintenance contract. SSD anticipate that this latter cost should disappear as its own in house computer staff will take over maintenance of the system.
- 7.11 The Committee considers that value for money has not been proved from this project although the benefit system may be more efficient and effective. As a post implementation review has not been carried out the Committee can not assess whether the project was economic.**

¹⁵ Billet D’Etat XVI, 27 September 2006, Para 556, Page 1693, and resolution XVI, Article 6.

¹⁶ PricewaterhouseCoopers Report on the Implementation of the Guernsey Integrated Social Security System, January 2008, paragraph 283.

8. The Way Forward

- 8.1 PwC have carried out an in depth review and provided detailed findings and made 30 recommendations, 27 of which should be implemented States wide for all IT projects. The extensive list of recommendations have not been repeated in this report although the Committee fully endorses them.
- 8.2 During 2007 the Head of Profession for Information Technology issued a series of IT policies. One of these provided guidance on Information Systems Procurement Policy incorporating Prince2 Methodology and outlines the different stages of a project.
- 8.3 Action to implement many of the recommendations has already taken place with those outstanding to be addressed by the Head of Profession for Information Technology and the Chief Officer Group.

9 Conclusions

- 9.1 The Committee acknowledges that the underlying intention behind the GISSS project was to move away from a system considered, sooner or later, to be obsolete. It also acknowledges that part of the initial project was successfully completed in that benefits are now processed through a modern computer system. However, it is noted that contributions still remain on the mainframe computer.
- 9.2 The Committee is concerned that despite frequent guidance being issued to aid projects, whether construction or information technology, that this is disregarded, as Departments strive to meet their own objectives without regard to best and accepted practice. The Committee acknowledges that some of this guidance has been developed as this particular project progressed, but there was little indication of corrective practices as they were issued. Procedures must become mandatory to ensure that projects are successfully completed, on time and on budget.
- 9.3 GISSS may be considered fit for purpose by SSD but it was not completed, not on time and furthermore, not on budget. But where this project differs from other overspends reviewed by the Committee, the States, other than those elected to serve on the Department, did not approve the project and were only aware of the project by its inclusion in Policy and Resource Plan or the States Annual Accounts. Therefore there is a lack of openness and transparency on this project which is against the very principle of accountability and good corporate governance.

10 **Recommendations**

10.1 The Committee recommends the States:

- a) To note the report.
- b) To direct the Treasury and Resources Department to consider and, where appropriate, implement the recommendations as outlined in the appended report and to report back to the States once completed, and to direct the Public Accounts Committee to monitor the action taken to implement them.
- c) To direct the Policy Council and Treasury and Resources Department, in consultation with Social Security Department, to consider and report back to the States on the appropriateness of the devolved financial responsibility of the Social Security Department under Section 100 of the Social Insurance (Guernsey) Law, in particular in relation to States approval and prioritisation of capital projects.

Yours faithfully

Leon Gallienne
Chairman

Please note that, due to conflict of interest, the following member of the Public Accounts Committee did not participated in the process leading to the production of this report:

Deputy Scott Ogier

Reason: Membership of Board of Social Security Department 2004-2008

(NB The full PricewaterhouseCoopers review is appended to this Report.)

Report on the Implementation of the Guernsey Integrated Social Security System

January 2008

This report has been prepared for and only for the States of Guernsey in accordance with the terms of our engagement letter dated 18 May 2007 and for no other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

As part of the terms of reference of our engagement, the Public Accounts Committee (PAC) instructed PricewaterhouseCoopers(PwC) to discuss and report our initial draft findings directly and only with them. A draft of the findings was presented to the PAC at a meeting on 6th of December 2007.

Following this meeting the PAC released the draft report to the Social Security Department (SSD) and PwC held a number of subsequent meetings with key staff at the department to correct any factual inaccuracies in the draft report.

Under instruction from the PAC, PwC issued a revised report incorporating changes made from discussions with the SSD directly to the PAC who released a final draft to the SSD.

The matters referred to in this report came to our attention during our work from interviews we held with current staff and materials that were provided to us. There can be no guarantee that all material relevant to the matter under consideration was made available to us nor that we have spoken to all people who might have an interest in this project. Given the passage of time that has passed since the project commenced, there is a risk that some key matters have not been represented in this report. We have reported most faithfully on those matters presented to us during the course of our work.

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Executive Summary

Background

- 1 In January 1998, the Social Security Department ('SSD') decided to investigate the replacement of their existing legacy mainframe benefits and contributions system. During 1998 and 1999 the SSD worked with their IT supplier to prepare plans which culminated in a decision in April 2000 to embark on a project to create an integrated benefits and contributions system, known as the Guernsey Integrated Social Security System ('GISSS').
- 2 The project was approved with an anticipated go-live date in 2002. However in June 2001, as a result of increasing projected costs, the SSD suspended the project.
- 3 The SSD then investigated options for the completion of the project and in April 2002, the SSD Board resolved to progress with an implementation of a Benefits only system, with a 'bridge' to the legacy mainframe contributions system with an anticipated go-live date of September 2004.
- 4 The Benefits element of GISSS finally went live in September 2006.

For the purposes of this report, we have called the initial project, to create a Benefits and Contributions system which was suspended in June 2001, 'Project 1' and then the project to create a Benefits only system, 'Project 2'.

Although during the majority of the GISSS project, the SSD was known as the Guernsey Social Security Authority ('GSSA'), we have referred to them under their current name in this report.

Scope of our Report

- 5 Due to the large scale of the implementation and because of the significant changes in the scope and timelines of the project, the States' Public Accounts Committee (PAC) commissioned PricewaterhouseCoopers CI LLP (PwC) to perform an independent review of its implementation. The primary objectives of this review, bearing in mind value for money and any lessons that could be learnt for future projects, were to ascertain:
 - The history and current status of the project;
 - Whether the original project objectives have been met;
 - Whether the project was appropriately planned, authorised and managed in accordance with best practice; and
 - The final and ongoing operating costs of the system.
- 6 The scope of this review (as detailed in our letter of engagement dated 18 May 2007) is included as Appendix A to this report.

Thanks

- 7 Our thanks go to the members of staff in the Social Security Department who provided all requested documentation and answered questions promptly and courteously. We also appreciated their continued availability throughout the course of our review.

Key Findings

- 8 Set out below are the key findings of our engagement under the headings we were asked to examine.
- 9 The project fell into two distinct phases, firstly Project 1 which ran January 1998 to June 2001 and then Project 2 from July 2001 to September 2006.

The history and current status of the project

- 10 In January 1998, Atos Origin IT Services UK Limited ('Atos') (an external IT consulting firm) were commissioned to produce a Technology Plan for the Social Security Department ('SSD'). The Technology Plan proposed a migration away from the legacy 'mainframe' Benefits and Contributions systems to a more forward looking PC/Server environment over a period of 5 years.
- 11 In April 2000, options were presented to the SSD on how to proceed and it was decided that there should be a full replacement of the existing Benefits and Contributions systems building specific functionality on top of an existing application designed by a company called Cúram Software Limited ('Cúram').
- 12 In June 2001 as a result of increasing costs and delays to the timetable, Project 1 was suspended and following a lengthy period of consultation, a modified plan ('Project 2') was agreed in April 2002 which introduced 2 phases to delivering the project objectives;
 - Developing the Benefits system; and
 - Retaining the existing mainframe system for Contributions for a further 2 years.
- 13 The decision to opt for this revised model was not initially unanimous and at odds with some of the independent views made by Deloitte & Touche who were engaged to review the proposal.
- 14 In September 2006 the Social Security Benefits system was transferred to a modern PC/Server based application. Although some minor change requests are still to be processed, the functionality requested at the outset of Project 2 for Social Security Benefits has been delivered and the solution is considered to be reliable by the system stakeholders.
- 15 At the time of writing however, no material progress has been made on migrating the Contributions system away from the mainframe and both systems are now supported.
- 16 The project has taken 4 years longer than planned to implement and has only delivered a solution for the Benefits system.

Whether the original project objectives have been met

- 17 In the context of the original requirements of GISSS, the project has failed to meet one of its primary objectives, as only the Benefits element of the system has been implemented and thus the SSD is still paying to maintain its legacy Contributions system in a mainframe environment.

Whether the project was appropriately planned, authorised and managed in accordance with best practice

- 18 As described above, the project fell into two distinct phases, firstly Project 1 which ran January 1998 to June 2001 and then Project 2 from July 2001 to September 2006.

19 The findings of our review are that the major factors which contributed to the difficulties experienced with Project 1 were:

- A detailed system specification was not produced;
- There was insufficient understanding of the core functionality of the Cúram software that was being implemented; and
- The third party development work was undertaken on a time and materials basis under the terms of a pre-existing supplier agreement and no specific contract was put in place.

20 If these matters had been identified and addressed at the outset of the project, it is likely that the SSD would have identified that the initial budget and timelines were unrealistic.

21 In contrast, we found that in Project 2 lessons had been learnt from the previous experience and certain aspects of the project were well managed and controlled, for example:

- Detailed specifications were drawn up and included in the contract;
- A strong contractual position was achieved which ensured the delivery of development work by matching payments to the deliverables and retaining significant amounts until the project was completed;
- Very comprehensive user acceptance testing was performed before accepting the system and any development anomalies that were identified as a result of the testing were tracked to ensure they were adequately dealt with; and
- There was significant involvement of internal stakeholders throughout the project which contributed to the quality of the final deliverables.

22 However, throughout both Project 1 and

Project 2 we noted many instances where good project management techniques had not been followed. We were particularly concerned that:

- At no point did the SSD go out to tender for the project;
- The concept and principles of 'Value for Money' were not integral to the project and there was no recognisable scrutiny by the Department of 'Value for Money' either at the project outset, during implementation or post-implementation;
- Many of our detailed recommendations are consistent with recommendations made in 2001 and in 2003 by the then States of Guernsey Audit Commission relating to IT projects and project management. Although these Audit Commission reports were issued too late to fundamentally change the outcome of Project 1 or Project 2, some of the recommendations could still have been adopted;
- Although capital projects in excess of £250,000 are normally approved by the States of Guernsey, the mandate of the SSD permitted them to undertake this project without such approval and scrutiny. This has considerably reduced the transparency of the project and its progress, and thus the effectiveness of the overall governance of the project. Consideration ought to be given as to whether any Department should continue to independently manage projects over States of Guernsey approved levels; and
- The Department did not always follow the independent expert advice requested on the project.

The final and ongoing operating costs of the system

23 The overall costs of Project 1 and Project 2 amount to approximately £9.2m as set out in Figure 1 on page 45.

This exceeded the initial projected implementation costs by approximately £3.0m. This also needs to be considered in the context that a significant proportion of the original project scope, i.e. contributions, has not been delivered. We have also estimated that approximately £1.4m of internal costs representing the salaries of those staff assigned to Project 2 have not been recognised as part of the cost of the implementing the system.

- 24 It is also suggested that the accounting for project costs in the SSD could be improved, for example:
- All costs should be identified and reported;
 - These costs should include both external advisory fees together with internal costs such as labour allocated to projects; and
 - More regular financial information on comparing budgeted costs to actual costs incurred (including projected costs to completion) should be presented to the Board of the SSD.
- 25 The current ongoing operating costs for the Benefits system alone are estimated to be £550,000 per annum and the ongoing cost of maintaining the Contributions system under the legacy mainframe system is estimated to be £344,000 per annum.
- 26 This compares to the initial estimate made by Atos in 2000 of £109,000 (at 2000 prices) per annum for ongoing maintenance of both the Benefits and Contribution systems.

Looking Forward

- 27 Included in the recently approved States of Guernsey Business Plan is an objective to consider how savings might be achieved by merging and consolidating the collection, payment and treasury systems which, at times, overlap in the respective mandates of the Treasury & Resources Department and the Social Security Department.

This objective could create significant efficiency and effectiveness gains within the States. We look forward to seeing the Contribution elements of GISSS being developed in this manner.

- 28 Departments should continue to work together and with the States Director of Information Communication and Technology to identify such opportunities. However, it is important that large scale IT implementations are properly managed and controlled otherwise the efficiency and effectiveness gains, thus Value for Money, will not be realised.

Recommendations

29 The following recommendations address the weaknesses identified during our review and include good practice project management.

30 Whilst it is too late to implement many of the recommendations on the GISSS project, we have indicated as 'To be actioned' those recommendations which should still be carried out on the GISSS project. We have also indicated as 'States Wide' those recommendations which would also be applicable to other States of Guernsey projects.

31 The recommendations have been categorised according to their significance to the SSD and the GISSS project. These significances may thus differ when applied to other projects. Within each category, recommendations are listed in the order that they appear in the body of this report and do not represent the priority that they should be given.

Recommendation	To be actioned	SSD Specific	States Wide
High			
1. A separately identifiable business case, constructed in accordance with Project Management methodology documentation standards (per States requirements), should be produced and presented to the Department board for their consideration and approval.			✓
2. The stated objectives and benefits of the project should be formally evaluated by the project board and presented to the Department board to determine the project's success.	✓		✓
3. A benefits realisation plan, stating how the benefits are to be achieved, measured and tracked throughout the project should be produced alongside the business case.			✓
4. The Department should ensure that all objectives and benefits are specific, measurable, achievable, realistic and time bound.			✓
5. A proper consideration of development methodologies should be undertaken to ensure that the selected methodology is appropriate. The use of Rapid Application Development techniques are unlikely to be appropriate where the proposed system involves complex business processes and computations.			✓

Recommendation	To be actioned	SSD Specific	States Wide
6. Non "solution-specific" specifications should be drawn up to enable effective comparison between solutions as part of an Invitation to Tender process.			✓
7. A detailed comparison between Department needs and prospective solutions should be performed during product selection.			✓
8. Significant contracts should not be awarded under pre-existing preferred supplier arrangements. The Department should: (i) Undertake supplier selection with reference to the States' tendering procedures; and (ii) Issue Invitations to tender for both the developers' role and if applicable, the product supplier.			✓
9. The Department must ensure that contractual terms are agreed and documentation signed by all parties, prior to commencement of work.			✓
10. The project sponsor for significant projects should be the Chief Officer of the Department to ensure they have suitably senior status to support the project. The project sponsor should not have day to day responsibilities for managing the project.			✓
11. When alternative views are received relating to key project decisions, these views ought to be substantiated and only then, formally presented to the Department board for consideration.			✓
12. To ensure proper governance, all significant projects should have an on-going project assurance role undertaken by Internal Audit or where appropriate, by suitably qualified and experienced third parties.			✓
13. The Department should ensure that all risks are effectively managed and communicated throughout all future projects.			✓
14. The Department should ensure that the ongoing support of the system is agreed with the developers (or an appropriate 3 rd party) during the initial tendering process.			✓
15. A calculation of the total cost of ownership should be prepared for all significant projects. The calculations should include the scenario for which approval is being requested from the Department board. A defined methodology should be established to identify and quantify all costs that should be included in the total cost of ownership, including the assumptions and rationale for any excluded or unquantifiable costs.			✓

Recommendation	To be actioned	SSD Specific	States Wide
16. The mandate for the SSD, which we have been informed, does not require States of Guernsey approval for significant expenditure should be considered. This reduced the transparency and the effectiveness of the overall governance of the project.	✓	✓	
Medium			
17. Benefit recipients and members of the public paying contributions should be considered a “key stakeholder” for all SSD projects in terms of assessing any potential improvements to service provision that a new system may underpin.		✓	
<p>18. All staff involved with the management of projects should receive appropriate Project Management training.</p> <p>If a member of Department staff is to be responsible for the day to day project delivery, then that staff member should obtain formal project management qualifications prior to commencement of the project. Alternatively, the Department should consider hiring an experienced independent project manager to deliver the project. This also applies where the supplier provides a project manager but the Department retains significant project management responsibilities, as in this case.</p> <p>If a third party is responsible for delivery of the project according to project management methodology, the Department should seek assurance that it is being delivered as such.</p>			✓
19. Roles and responsibilities should be assigned to each member of the project team and feedback obtained to gain assurance that team members are aware of and understand their responsibilities.			✓
<p>20. The Project Board should be responsible for overall direction and management of the project, approving all key plans and signing off each stage of the project. It should authorise decisions before referring them to the project sponsor and Department board for final authorisation.</p> <p>The Project Board should consist of senior members of the Department, including representation from the central States IT department. Where the supplier is represented on the Project Board, they should not have a vote on key project decisions.</p>			✓

Recommendation	To be actioned	SSD Specific	States Wide
<p>21. To improve the effectiveness of it's governance, the Department board should:</p> <ul style="list-style-type: none"> (i) Ensure that the project is a standing item on the agenda; (ii) Receive regular, monthly or quarterly, project finance reports detailing the project status, actual costs, projected costs to completion, budgeted costs and explanations for variances (all costs should include internal costs); and (iii) If they are relying on external validation, be responsible for determining the scope of any review performed. <p>This will ensure that they are properly informed in a timely and consistent manner of all the issues/progress of the project and can take greater comfort from recommendations raised by third parties.</p>			✓
<p>22. There should be a formal procedure whereby new Department board members are explicitly made aware of their roles and responsibilities on all projects.</p>			✓
<p>23. The results of all testing performed should be recorded and monitored centrally so as to provide detailed and timely information on the progress & success of testing, and to provide the Project Board with comfort that all testing has been performed.</p>			✓
<p>24. The processes, internal control and security environments of significant new systems should be subjected to audit so that the Department can gain assurance over the confidentiality, integrity and availability of the (possibly sensitive) information within the system and that control weaknesses do not expose the Department to an increased risk of fraud or risk to their reputation.</p>	✓		✓
<p>25. The Project Board and the Department board should explicitly authorise the go-live process. Similarly, the Project Board and the Department board should explicitly accept the system into the live environment following the go-live process.</p>			✓
<p>26. The Department should ensure that support contracts are governed by a Service Level Agreement. This will enable the Department to monitor performance and will place the Department in a strong position should support performance deteriorate.</p>	✓		✓
<p>27. All external costs directly associated with the project should be allocated to project specific accounting codes. Internal costs, such as labour should also be identified and allocated to the project costs.</p>			✓

Recommendation	To be actioned	SSD Specific	States Wide
28. A final summary of project costs, including all external and internal costs, should be prepared upon project completion and presented to the Department board.	✓		✓
Low			
29. The Department should ensure that a formal feedback system is implemented to ensure that training provided is complete and adequately meets the user's needs.			✓
30. Smaller items of expenditure should be project accounted for and thus approved by the Department board when reviewing the regular financial project reports.			✓

Project History & Current Status

Timeline

- 32 In 1994 the SSD undertook a tendering exercise to appoint a 'preferred IT supplier' under a five year contract, in conjunction with Deloitte & Touche (D&T). The contract was duly awarded however the SSD subsequently became dissatisfied with the performance of the winning supplier and terminated the contract.
- 33 Atos, being the other shortlisted supplier in the original tendering exercise, were then appointed by the SSD in July 1996 to provide support and maintenance to its existing benefits and contributions systems for a fixed yearly cost. The contract also provided for Atos to provide services to the SSD with system analysis, design, development and implementation as and when necessary as a separate schedule to the contract.
- 34 In January 1998, Atos were commissioned to produce a Technology Plan, the scope of which was to "*look at the options available to the GSSA to enable it to better respond to the demands of the future and, if a change from current technology and methods was recommended, how the change from the current situation to a new one could be achieved in an evolutionary way.*". The Technology Plan proposed a migration away from the legacy "mainframe" benefit and contributions systems to a more forward looking PC/Server environment over a period of 5 years. This would enable the SSD to benefit from reduced annual hardware costs and increased flexibility to respond to future IT demands.
- 35 The Technology Plan was reviewed by D&T who were asked to comment on the validity of its long term

recommendations. D&T recommended in principle a project to take forward Atos' proposals. The Technology Plan was presented to the SSD Board on 4 February 1998 and its recommendations approved on 18 February 1998. The SSD Board also agreed a budget of £100,000 for Atos to produce the Strategic Framework Model, to produce a more detailed & costed migration plan and to train computer services staff.

- 36 Following a business process review performed in August 1998, Atos produced the Strategic Framework Model in December 1998. This model effectively described the technical framework from which any new system should be built to correctly map to the SSD's business processes. This document mentioned that the target system was an "integrated system", meaning the benefits and contributions system would be combined.

Hence the project became known as the 'Guernsey Integrated Social Security System' (GISSS). It was however also referred to internally as the Technical Migration Programme.

- 37 The Strategic Framework Model was presented to the SSD Board on 17 February 1999 along with a subsequent proposal by Atos for the "Programme Planning Stage". The deliverables of this stage were to be "*a complete and consistent set of documentation that addresses the strategic view, the requirements, the system architecture and design, the migration strategy, the operational strategy, the programme plan the risks and the business case*" prior to seeking the approval of the SSD to start developing the new system. The Programme Planning Stage was

- approved at this meeting with a budget of £248,408.
- 38 The Programme Planning Stage was performed throughout 1999 (March – October) and resulted in the production of a series of documents all focused towards a proposal for Atos to build a wholly bespoke application to meet the SSD's needs.
- 39 In November 1999, Atos identified an existing software solution, designed by a company called Cúram, whose software could be used as a framework on top of which the GISSS application could be built.
- 40 At this point, the focus of the programme planning stage switched from building a business case for the Atos bespoke application to building a business case for the Cúram based application.
- 41 As such, the programme plan, Estimating Basis, Business Case and Commercial Proposal documents were all re-written to reflect this change in focus. The business case offered three possible ways forward:
- i) Do nothing;
 - ii) Atos to build a bespoke application; and
 - iii) Atos to build an application based on the Cúram framework.
- 42 This revised programme plan was reviewed by D&T in April 2000. D&T recommended that the SSD adopt Atos' plans to migrate its core applications (the benefits and contributions system) from the current mainframe environment to one based on Cúram. However D&T also recommended that the SSD negotiate a framework contract with Atos for the implementation and ongoing support for the system and that they build a contractual position to protect the SSD.
- 43 The programme plan and the D&T review were presented to the SSD Board on 19 April 2000. At this meeting, the costs over 10 years, including software, hardware, licensing, development and eight years post-implementation operating costs, of the proposed Cúram based solution were given as £6,700,000, the bespoke Atos solution as £8,830,000 and the do-nothing approach as £4,460,000. These costings being for the full replacement of the Benefits and Contributions Systems.
- 44 The Cúram option was unanimously agreed by the SSD Board on 19 April 2000. The approval allowed for an initial pilot phase centred on sickness benefit to fully assess whether the Cúram framework would work at the SSD. If successful, benefits would be constructed first, followed by contributions.
- 45 The contractual basis underpinning the pilot phase work with Atos was limited to a Letter of Intent which tied the arrangements into the pre-existing supplier contract (para 33) on a time and materials basis. A separate license agreement and professional services agreement was however entered into with Cúram.
- 46 A more detailed contract between the SSD and Atos for the GISSS project was subsequently drafted and subject to legal review, however, terms were not agreed and it was never signed.
- 47 The pilot phase then proceeded between April and October 2000, with Atos building the Sickness Benefit module. Following the completion of the Pilot Phase, Atos produced an evaluation report, the purpose of which was *"to provide to the programme board sufficient information for them to decide on the future of the GISSS programme."*
- to show how much potential Cúram has to support the business vision*
- to show how well Cúram will support*

the required business functionality, as foreseen by the GSSA;”

- 48 It concluded that *“the pilot successfully demonstrated that a Cúram framework based implementation is an excellent solution to the objectives of the technical migration programme”*.
- 49 The report was presented to the SSD Board on 1 November 2000. At this meeting it was noted that the original timeframe for the implementation of benefits was to be February 2002 with contributions to be implemented by July 2002.
- 50 At this stage, the customisation costs of the Cúram framework had already been revised upwards by £262,000 (7.65%) to £3,684,000. A related increase in expenses was also envisaged. As a result of the successful pilot phase and price increases, the SSD Board approved a budget of £4,600,000 for the full two-year customisation of the Cúram framework.
- 51 Following authorisation, between November 2000 and June 2001, the benefits customisation plan proceeded with Atos working in conjunction with the SSD and Cúram to build GISSS. Regular update reports were provided to the SSD by Atos detailing progress to date, issues arising and man-days cost against budget.
- 52 In June 2001, Atos and Cúram jointly submitted a report to the SSD that showed an estimated 72% increase in overall project costs (85% increase in Benefits, 50% increase in Contributions) compared to the estimates submitted to the SSD Board in November 2000. The SSD understood the revised costs resulted from an increased understanding of the Department’s needs combined with an increased understanding of the core Cúram functionality by Atos.
- 53 **As a result of this significant projected cost increase, the project was suspended by the SSD**

Administrator on 14 June 2001.

- 54 Following this suspension, a series of workshops was held in June 2001 between Atos, Cúram and users within the SSD to compare the basic Cúram out of the box functionality to that required to support the business functions of the SSD. This would enable Atos to prepare a fixed price contract for the development and implementation of a Cúram based GISSS.
- 55 A 3 month functional analysis was then performed by Atos, scoping the detailed functional specification for GISSS upon which a fixed price contract with Atos would be based. This resulted in a 1,300 page detailed specification for the GISSS system.
- 56 As a result of the significant underestimation of the costing of GISSS by Atos, alternative routes forward with Cúram were considered by the SSD and Atos during October 2001.
- 57 A fixed price proposal was produced by Atos on 1 November 2001 and revised on 30 November, focusing on a 2 phased approach, developing the Benefits system on Cúram as planned but leaving the Contributions system on the mainframe. Contributions would then be transferred two years after the implementation of benefits on Cúram. The total cost (including the pilot and work to date) for the fixed priced benefits and estimate of contributions in the initial proposal was quoted as £10m.
- 58 This proposal was reviewed by D&T in December 2001. The review highlighted potential costs savings within the proposal. D&T were subsequently commissioned by the SSD to negotiate on price with Atos on the SSD’s behalf and to prepare a business case for the new proposal.
- 59 Following negotiations, Atos produced a final proposal on 31 January 2002, quoting a price of £8.8m for the

- combined benefits and contributions project or £9.9m if this project were to commence in 2 distinct phases. It also quoted a price of £4.23m for a “benefits plus bridge” option. This option would involve the Benefits System migrating to Cúram, whilst the Contributions System remained on the legacy mainframe. The two systems would be connected via a software bridge, meaning data would be able to flow from contributions into benefits and in effect, a single SSD database would be created.
- 60 This proposal was reviewed by D&T who presented their report (dated 4 February 2002) to the SSD Board on 6 February 2002.
- 61 This review indicated that the investment with Atos could only be justified on non-financial grounds, such as there being no other system solutions that will allow the SSD to support the existing and proposed benefit service or that the solution offered by Atos represented the most affordable option available to the SSD.
- 62 The report recommended that the SSD should:
- i) negotiate with Atos to reduce the overall price of the proposal;
 - ii) commence preparing a contingency plan for the continuing operation and enhancement of the current system in the event that negotiations with Atos failed, and
 - iii) the SSD should return to the market to identify an acceptable alternative solution, including that of an in-house solution.
- 63 On 6 February 2002, D&T were commissioned by the SSD Board to continue negotiations with Atos and carry out a market review of potential solutions for the fee of £48,400.
- 64 In addition to continuing negotiations with Atos, between 6 February 2002 and 6 March 2002, D&T carried out an initial market review for the SSD. The conclusions of this review were that “i) *there were other suppliers of contributions and benefits solutions in the market, ii) the Atos proposal.....does not offer best value in comparison to the estimates received from these suppliers, and iii) a competitive process involving these companies would provide SSD with a true indication of best value available in the market place*”.
- 65 The D&T review was presented to the SSD Board on 6 March 2002 and representations were given by D&T and the SSD Administrator, the latter favoured proceeding with the benefits and bridge option offered by Atos. The SSD Board confirmed that they required more time to consider the content of the D&T report.
- 66 During the following week, the Deputy Administrator and D&T travelled to the Isle of Man to carry out preliminary investigations into an alternative solution. Cúram were also visited in an effort to gain comfort that Cúram was being implemented in other territories.
- 67 At the SSD Board meeting on 13 March 2002, D&T again reaffirmed that “*best value was not represented by the Atos offer and advised the Authority to prepare an Invitation to Tender for issue*”.
- 68 At the same time, the SSD Administrator recommended that Atos be contracted to perform the “benefits and bridge” solution at a cost of £4.23m. The SSD Administrator acknowledged that a tender exercise would enable the Department to judge whether they were receiving best value. However he was concerned that if they did this the £2m expenditure with Atos to date could be written off, as well as incurring extra professional advisory costs related to the tender exercise.
- 69 The SSD Board were also advised that Atos had indicated that the fixed price

put forward by Atos would be withdrawn on the 15 March 2002 if a *“satisfactory agreement had not been reached”*.

- 70 The SSD Board voted by a 4-2 majority to empower the SSD Administrator to accept the bid from Atos for £4.23m to complete the “benefits and bridge” phase of the project.
- 71 Following the SSD Board meeting on 13 March, D&T wrote to the President of the SSD on 22 March to express their concern over the Department’s decision to proceed with the ‘benefits and bridge’ solution. This was for the following reasons:
 - lack of unanimity;
 - the proposed solution not representing best value;
 - a poor financial business case; and
 - the Cúram tool-set not proven in an environment comparable to the SSD.
- 72 They also indicate that initiating the implementation at that point *“only benefits the Authority through maintaining current project momentum and taking advantage of the ‘favourable’ price offered by Atos”*.
- 73 On 11 April the SSD Board met to consider their position in light of this letter. Attendees at this meeting included representatives of D&T and Atos. D&T reported progress on the contractual safeguards needed to be implemented, but again re-iterated the issues initially raised in their letter dated 22 March.
- 74 Following lengthy discussion, the SSD Board unanimously approved the acceptance of the fixed price bid of £4.23m for the ‘benefits and bridge’ solution subject to Department approval of the revised contract.
- 75 Prior to this meeting, on the 5 April 2002 the SSD Administrator circulated to the SSD Board members a file note

of a discussion between himself, the Deputy Administrator and a consultant that was not employed by the Department. In this file note (a copy seen as part of our review), the consultant expressed a different view on the project direction.

- 76 SSD Board members were asked to *“read the notes and keep the matters in mind but to not bring the paper to the Authority meeting”* on 11 April 2002. One SSD Board member did raise concerns in the 11 April 2002 meeting that this conversation had taken place without the knowledge of the D&T partner advising them.
- 77 It is not clear what influence, if any, this file note had on the SSD Board. However we found no evidence that the SSD substantiated the views made by the consultant.
- 78 At that same meeting, the SSD Board resolved that further expenditure with D&T on this project should cease, after they had concluded their advice on the quality standards to be included in the contract.

The decision to go for a revised solution of a Benefits System only with a bridge to the legacy Contributions System represented a significant change in the scope of the GISSS project. Therefore for the purposes of this report we have called the initial project up to this point to be ‘Project 1’ and then the implementation of the Benefits and Bridge solution to be ‘Project 2’.

- 79 A fixed price contract for £4.23m for the benefits and bridge solution was entered into on 24 July 2002. The 1,300 page long detailed specification noted in para 55 formed part of the contract. The contract was structured such that over 25% of the price would become due only after a period of successful user acceptance testing and running in the live environment.
- 80 Almost immediately after this, the project was suspended in September

- 2002 to allow for an upgrade of the Cúram solution to be released prior to continuing work. A significant version release was being made due to a change in the underlying technology used by the Cúram software. A variation agreement was entered into with Atos, which included a reduction in the fixed price to £4.1m as a result of the SSD taking on some additional development work in-house. The proposed go-live date was put back to March 2005.
- 81 In April 2003, the project re-commenced, with Atos producing a Project Definition Plan which defined the processes and procedures through which the management and administration of the project would be undertaken.
- 82 During the remainder of 2003, the detailed specification was mapped into a series of 'Use Cases' (para 221), through which GISSS would be built. The code for these Use Cases would be built by Atos (in conjunction with Cúram), batched together according to benefit type/functionality, and released to SSD in a series of "releases".
- 83 The first two releases (of eight in total) were received by SSD on 5 January 2004. A period of user acceptance testing would follow the receipt of each release, during which any issues noted (referred to as development anomalies throughout the project) would be referred back to Atos or Cúram for resolution.
- 84 The development anomalies were classified as Severity 1 – 4. A severity 1 development anomaly would severely inhibit the operating effectiveness of GISSS and would therefore stop GISSS being introduced into the live environment. A severity 4 development anomaly was a purely cosmetic change and would not affect the operating effectiveness of GISSS.
- 85 As a result of various change requests to the agreed upon specification, the final release of GISSS was received by SSD on 31 January 2005 (4 months after the originally intended receipt date of 1 October 2004, as stated in the Project Definition Plan).
- 86 It was explained to us that the remainder of 2005 was given to extensive user acceptance testing over the entire functionality of GISSS and its interoperability with other systems. Due to the significant number of development anomalies being raised and not cleared GISSS could not be migrated into the live environment in 2005. In total, approximately 8,500 development anomalies were identified over the course of Project 2.
- 87 In March 2006, two approaches for go-live (big bang vs. phased) were formally assessed by Atos and presented to the SSD Board. The big bang approach was approved by the SSD Board on 5 April 2006.
- 88 Development anomaly resolution and user acceptance testing of the system continued throughout the first half of 2006, including a full system test. On 5 July 2006, a go-live risk assessment was presented to the SSD Board analysing whether the outstanding development anomalies would inhibit the successful operation of GISSS in a live environment. This risk assessment indicated that go-live could be achieved as long as all the severity 1 development anomalies were cleared. The remaining development anomalies would be parked until after go-live to enable the code to stabilise and to allow for final user acceptance testing. A go-live phase from 21 to 25 September 2006 was given.
- 89 The remaining time before go-live focused on final development anomaly resolution, user training, user acceptance testing and preparing for go-live.
- 90 In August 2006, a support contract between SSD and Atos in respect of GISSS was authorised by the SSD

Board at a cost of £247,500 for one year plus an additional £50,000 in respect of transitional costs involved in moving from the project environment to the support environment.

- 91 The Benefits and Bridge element of GISSS successfully went live on 25 September 2006. No major issues were noted over the weekend. However the bridge failed on its first run in the live environment. This was detected by the Department and corrected, only resulting in the delayed payment of some benefits by a few hours.
- 92 SSD paid Atos £420,000 in October 2006 in respect of final completion of user acceptance testing, and £642,706 in December 2006 in respect of successful operation of the Benefits element of GISSS in the live environment.
- 93 A final payment of £150,000 was made on 1 March 2007, a sum withheld by SSD to ensure the successful resolution of all pre go-live development anomalies that had been parked (para 88). The Benefit and Bridge project was formally considered as "completed" by the Project Board in February 2007.

Current Status

- 94 The Benefits element of GISSS went live on 26 September 2006 following the successful migration of data from the mainframe to the Cúram based application. Post implementation, only two areas of benefits functionality included within the original specification were not fully implemented on this element of GISSS:
 - Issuance of some letters for Pensions estimates.
 - The recording of TV Licence benefits in Cúram.

We have been informed that the TV license benefit process has now been completed and the outstanding process for pension estimate letters is not

considered significant.

- 95 All development anomalies outstanding at go-live have since been resolved by Atos and SSD. At the time of writing, there were 134 change requests outstanding, 36 development anomalies (none of a high severity) and 36 issues with the basic framework that are required to be fixed by Cúram. The outstanding change requests are only potential changes which are not considered essential and thus do not reflect any issues with the functionality of the system.
- 96 The only significant unresolved issue was the availability of the "bridge" between the Benefits System and the legacy Contributions System. The bridge allows GISSS to view the personal data held within contributions and uses it as the base data for paying benefits. The bridge was tested extensively as part of user acceptance, and the problem only occurred in the live environment (para 88).
- 97 The bridge had failed twenty seven times within 2007, but with only three failures in the period June to September. The Department believe that they have now isolated the problem and that changes made to the contributions system will prevent it from recurring.
- 98 At the time of writing, the SSD has initiated discussions regarding the development and implementation of the Contributions element of GISSS. As a result of the new States of Guernsey Business Plan, the SSD are also in discussion with the Income Tax office, in order to identify potential synergies between the collection of social security contributions and income tax. No specific plans or project costings have however been prepared for the replacement of the legacy mainframe contributions system.

Project Objectives

Business Case

Was the business case defined in terms of need?

- 99 Overall, our review found that the business case for the project was sufficiently defined in terms of need. That need being to migrate from a mainframe environment to a modern PC/Server environment.
- 100 The final business case for the project implementing a combined benefits and contributions system (Project 1) was produced following a business consultation period lasting three years (paras 33-41 above).
- 101 For the “benefits and bridge” project (Project 2), there was no separately identifiable business case. The business case instead consisted of the following documents:
- The Atos fixed price proposal dated 29 November 2001 for an integrated contribution and benefit system in two stages (para 57).
 - The Atos fixed price proposal dated 31 January 2002 for an integrated contribution and benefit system in a single project (para 59).
 - The D&T review of these proposals (para 60).
 - The D&T review dated 6 March 2002 (para 65) identifying a fixed price benefits and bridge solution for £4.23m.
- 102 Whilst the primary need for GISSS had not changed (para 99), it appears that the Department assumed that the detailed benefits of the project and other background information included within the business case produced for Project 1

remained valid for Project 2.

- 103 A lack of a separately identifiable business case for Project 2 makes it harder to track any of the proposed benefits of the project, thereby impacting on the measurability of the success of the project.
- 104 Similarly, although the SSD Board were provided with all relevant documentation as it became available, the gradual feeding of information may have affected the way in which they viewed the different options proposed within the Project 2 “business case”.

Recommendation 1: A separately identifiable business case, constructed in accordance with Project Management methodology documentation standards (per States requirements), should be produced and presented to the Department board for their consideration and approval.

Were key stakeholders adequately consulted?

- 105 Although no formal stakeholder identification process/strategy was performed or developed at the outset of either Project 1 or Project 2, our review found internal stakeholders to be adequately consulted throughout the planning stages of both projects.
- 106 The SSD management team were involved within the Business Process Review (para 36) which aimed to fully understand the processes that any new system would need to support. Members of the management team were also involved in the construction and review of the programme planning stage (para 38) documentation.

- 107 Members of the management team also attended the workshops held by the Department to scope out the detailed specification of the Project 2 implementation of GISSS.
- 108 In addition to this, the Use Cases on which GISSS is built (detailed below) had to be agreed and signed by all the relevant managers before the cases were allowed to be built into a release. This in essence gave the responsibility of the functionality of the GISSS directly to the internal stakeholders, securing stakeholder engagement.
- 109 Information was provided to the SSD Board on a timely basis throughout Projects 1 and 2, with all key decisions referred to them for their consideration.
- 110 Part of the business process review (para 36) was to identify how the SSD could improve customer service. Improving customer service also became a constant objective throughout both Projects.
- 111 However, customers were not considered to be stakeholders for either Project, and as such they were not consulted about the introduction of the new system during either project.
- 112 The omission of these stakeholders increases the risk that the SSD might have implemented a system that could not support service improvement deemed necessary by beneficiaries.
- 113 By not consulting beneficiaries, the SSD may have missed the opportunity to identify what these service improvements might be.

Recommendation 17: Benefit recipients and members of the public paying contributions should be considered a “key stakeholder” for all SSD projects in terms of assessing any potential improvements to service provision that a new system may underpin.

Was it aligned to a wider business strategy?

- 114 The need for the project was derived from the longstanding business goal to “deliver a long term, reliable service that is beneficial to the community and anticipates/provides for future needs to replace ageing technology”. As such, there was no explicit business strategy agreed by the SSD that the project was enabling or supporting.

Project Completion

Have the project objectives been evaluated to determine the project success?

- 115 The objectives of both Projects are listed separately in different documents. The objectives have broadly remained the same over the course of the project.
- 116 The Business Vision Documents produced during the programme planning stage (para 38) detail the general objectives for Project 1 to be:
- Improved customer service;
 - Better use of human resources;
 - The ability to respond to future business requirements; and
 - Improved efficiency
- 117 The revised business case presented to the SSD in April 2000 (para 41) state the objectives to be:
- *“To move the contributions and benefits systems running separately on an ICL mainframe, to an integrated system based on mainstream, modern technologies using a portable multi-tier platform. The main driver is technology but en route the following benefits are planned to be realised:*
 - *New applications that are more flexible, easier and cheaper to enhance, amend and support;*

- *New applications that are capable of being maintained and enhanced by SSD computer services;*
- *Positioning SSD to take advantage of further technological improvements;*
- *Improved customer service;*
- *More interactive and easier to learn/use systems;*
- *Extended management information; and*
- *Functionality to support future business changes.”*

118 Finally, the GISSS project definition plan (para 81) lists the objectives as being:

- *“Technical Benefits;*
- *New applications that are more flexible, easier and cheaper to enhance, amend and support;*
- *New applications that are capable of being maintained and enhanced by SSD computer services;*
- *Positioning SSD to take advantage of further technological improvements;*
- *General Business Benefits;*
- *Improved customer service;*
- *More interactive and easier to learn/use systems;*
- *Extended management information; and*
- *Functionality to support future business changes”*

119 However there has been no formal or informal evaluation performed to determine whether or not the project has met its objectives. This is especially pertinent as an original objective of Project 1 was to move away from the ICL mainframe (para 117). At present, the Contributions System is still operating on the mainframe technology.

Recommendation 2: The stated objectives and benefits of the project should be formally evaluated by the project board and presented to the Department board to determine the project’s success.

120 Similarly, there has been no attempt to track and evaluate the perceived benefits contained within the various business cases. A benefits realisation plan was not produced for either Project.

Recommendation 3: A benefits realisation plan, stating how the benefits are to be achieved, measured and tracked throughout the project should be produced alongside the business case.

121 The objectives and benefits discussed above give no indication of how specific, measurable, achievable, realistic and time bound they are. This inherently limits how effectively they can be evaluated and also increases the risk that the objectives were unsuitable to begin with.

Recommendation 4: The Department should ensure that all objectives and benefits are specific, measurable, achievable, realistic and time bound.

Project Execution

System Specification

Were the States' needs from the system adequately scoped out?

122 During the inception of Project 1, the focus was very much on producing a set of specifications that would need to be built into the bespoke application to be built by Atos. This resulted in a "requirements" document being produced during the programme planning stage. This list of requirements was written at a high level to define a checklist of requirements (both technical and functional) for GISSS that would then be used to validate the selection of the architecture, the migration strategy and the business case.

123 We have been informed that the reason for only producing high level requirements was because Atos had recommended a development methodology, similar to Rapid Application Development (RAD), which did not involve the production of detailed specifications at the outset.

Recommendation 5: A proper consideration of development methodologies should be undertaken to ensure that the selected methodology is appropriate. The use of Rapid Application Development techniques are unlikely to be appropriate where the proposed system involves complex business processes and computations.

124 Following the identification of the Cúram solution, this requirements document was not altered.

Recommendation 6: Non "solution-specific" specifications should be drawn up to enable effective comparison between solutions as part of an Invitation to Tender process.

125 Following the suspension of Project 1 (as a result of increasing cost estimates from the pilot phase), a series of workshops was performed to define what users actually required from the combined contributions and benefits solution compared to what Cúram offered as part of its "out of the box" (OOTB) package.

126 The scoping meetings reconciled the SSD's needs to the Cúram OOTB solution on a benefit type by benefit type basis. The various meetings were attended by a quorum of Atos, SSD and Cúram staff. Whilst the OOTB solution appeared to carry some of the functionality required by SSD, there were a number of requirements identified at this early stage that would require extra investigation and development cost.

127 Following these workshops, a detailed specification listing the required functionality of the system was produced and appended to the fixed price contract signed in April 2002. It was from this specification that each Use Case (see below) was built.

128 The lack of a detailed specification and comparison to what Cúram offered OOTB before the approval of Project 1 in April 2000 significantly added to the costs of the project. It has been noted in the SSD Board minutes dated 5 December 2001 (when Project 2 was being considered) that SSD queried why, given Atos' experience and knowledge of the Department, had costs

risen?

- 129 Atos responded, *"there were certain aspects of the Cúram framework that were incompatible with SSD's requirements but this had not become apparent until after the start of the project.....much less of Cúram was acceptable to SSD than had first been anticipated"*
- 130 *"The original specification has consisted largely of bullet points and had been approximately 10 to 20 pages long. The existing specification was a statement of requirements running to hundreds of pages."*
- 131 *"On a time & materials basis, it was typical to proceed with a project based on a list of bullet points. However it had emerged that the requirements behind the bullet points were not compatible with Cúram's functionality and there was a mismatch."*
- 132 This points to the key reason why Project 1 failed, an inadequate specification and comparison to available Cúram functionality lead to increasing costs, which were unacceptable to the SSD.

Recommendation 7: A detailed comparison between Department needs and prospective solutions should be performed during product selection.

Were key stakeholders adequately consulted?

- 133 Our review found that all key internal stakeholders were adequately consulted during the construction of the detailed specification for the GISSS delivered as a result of Project 2.
- 134 As well as being involved in scoping meetings, each benefits manager was required to sign off and accept each Use Case relevant to them. Therefore, we accept that any anomalies in the specification would drop out of this review procedure.

Were legislative requirements in terms of reporting considered?

- 135 We have been informed that GISSS is not specifically required to report on any legislative requirements. We understand that the only legislative reporting requirements placed on the SSD are:
- The production of Annual Accounts. Whilst GISSS holds no information that goes into the final accounts, it may be used for interrogation and testing purposes by Auditors to verify the figures in the annual accounts.
 - The requirement to have an actuarial valuation of three of the SSD's Insurance Funds performed once every five years. The Management Information System (MIS) reporting suite (which interfaces with GISSS) was developed so that pension information to support these valuations can be provided to the actuary. However, whilst the review itself is necessary, the MIS reports only aid the review rather than being a requirement to be produced.
- 136 We were informed that MIS should be configurable to meet any new legislative reporting requirements.

Is the system scalable?

- 137 GISSS is a highly bespoke system built around the Cúram framework. Therefore there is no significant unused functionality within GISSS.
- 138 There is evidence that the Cúram framework has been used to support large territories overseas. It therefore appears that the base framework certainly has the capacity to serve a larger population and larger user community. New modules (supplied by Cúram) are also available to SSD to increase GISSS' functionality should the need arise as well as further bespoke changes being made by Atos.

Were alternative acquisition options considered? e.g. packages, working with other territories/departments?

- 139 There was no contractual obligation for

the Department to use Atos for the scoping, development and eventual production of the GISSS solution. The five year contract that had been entered into with Atos (para 33) did not contain any exclusivity clauses.

- 140 There was no consideration of other developers for Project 1.

Recommendation 8: Significant contracts should not be awarded under pre-existing preferred supplier arrangements. The Department should:
(i) Undertake supplier selection with reference to the States' tendering procedures; and
(ii) Issue Invitations to tender for both the developers' role and if applicable, the product supplier.

- 141 The original intention for Project 1 was for Atos to build a bespoke GISSS. During October 1999, SSD representatives met with their counterparts at the Swedish SSD who were developing a similar system with Atos to the one the Department intended to implement. The Swedish solution was used as an assessment of Atos' skillset and to identify any learning points from their experience.

- 142 The Cúram solution was identified by Atos in November/December 1999. Following this, the business case that went to the SSD for authorisation in April 2000 considered the following options:

- i) Do nothing;
- ii) Atos to build a bespoke application; and
- iii) Atos to build an application based on the Cúram framework.

- 143 No other solutions were identified during project one, invitations to tender (ITT) were not issued for either the solution or developer's role in Project 1.

Recommendation 8.

- 144 For Project 2, following a review of Atos' fixed price proposal, D&T recommended

that the SSD should return to the market to identify an acceptable alternative solution.

- 145 D&T recommended issuing ITT's to the following:

- Cap Gemini/Ernst & Young - Jersey,
- TQM - Gibraltar
- Griffenthwaite - Isle of Man

- 146 Evidence indicates that D&T actively investigated other potential suppliers on behalf of SSD. This evidence also indicates that on initial estimates the Cap Gemini/Ernst & Young and the Griffenthwaite solutions could be noticeably cheaper.

- 147 The SSD and D&T visited both Jersey and Isle of Man to assess the solutions being adopted in those locations. There was lengthy discussion regarding going out to tender by the SSD board members but it was dismissed for a number of reasons. It was felt by the SSD that:

- No credible alternatives other than Cap Gemini had been identified;
- The information provided to the alternative suppliers was very limited and unrealistically low indicative pricing had been offered;
- It could result in the investment of £2m to date being written off;
- It would incur considerable further investment in professional advisers to prepare the ITT; and
- It would result in a significant further delay in the project.

No ITT's were therefore issued by the SSD at this point either.

Recommendation 8.

- 148 We have also been informed that an ITT based on the detailed specification for Project 2 would not have been

appropriate as the specification was Cúram focused. **Recommendation 6.**

Supplier Selection

Were effective criteria drawn up for determining supplier requirements?

- 149 No criteria were drawn up for determining supplier requirements for GISSS as there was no tendering process at the commencement of Project 1 or Project 2.
- 150 This is less of an issue at Project 1 as the SSD Board were asked to consider 3 options in the business case:
- do nothing;
 - bespoke application built by Atos; and
 - Cúram framework modified by Atos
- 151 In effect the choice was not between different suppliers, rather different methods of how to migrate away from the mainframe. It is not possible to retrospectively assess the state of the software market in 1999/2000, therefore it is not possible to assess whether or not other solutions apart from Cúram were available.
- 152 At the authorisation stage of Project 2 however, D&T had found other potential suppliers on the market (detailed above). A brief comparison was made by SSD, however no formal criteria were drawn up.
- 153 A set of formal criteria would have reduced any subjectivity in this comparison. Moreover, although at this stage a detailed specification existed, the SSD were unable to use this to compare suppliers as the specification was too focused towards the Cúram solution. **Recommendation 6.**

Were effective comparisons made between short listed suppliers?

- 154 As detailed above, the Department did not issue detailed criteria, did not

formally issue invitations to tender and did not therefore make any effective comparisons between suppliers for either Project 1 or 2. **Recommendation 7.**

Were established procurement procedures followed?

- 155 We have been informed that the selection of Atos to provide support and maintenance to the SSD's existing mainframe system, followed an earlier tendering process in 1994 that was performed on the SSD's behalf by D&T. Atos were not the winner of that initial tendering process, but were subsequently awarded the contract in 1996 following the poor performance of the initial IT supplier. We also understand that there was no contractual obligation for the Department to use Atos as the developer of GISSS.
- 156 The States tendering procedures were therefore not referred to when:
- Authorising Atos to be the developer for Project 1; or
 - Awarding the fixed price contract to Atos at the commencement of Project 2. **Recommendation 8.**

Were appropriate contractual arrangements put in place?

- 157 D&T noted in their limited scope report on Technical Migration dated April 2000 that:

"We note that all costs are estimates and therefore do not represent firm fixed costs. SSD must satisfy themselves that there are adequate safeguards against increased costs during the life cycle of the development programme and the operational system.

Project slippage and additional resources could significantly increase costs and delay implementation. Contractual Agreement between SSD and suppliers should be linked to timely achievement of project goals while keeping to the budget."

- 158 **D&T noted that the Cúram system had not yet been implemented in full anywhere in the world and that this lack of comparable case history prevented the use of actual numbers, thus increasing the chance of forecasts and estimates being unreliable.**
- 159 D&T advised the SSD to consider the commercial basis of the contract with Atos in order to achieve a quality product, value for money and to keep project costs in control. D&T stated that the SSD should aim to achieve:
- *“Better assessment of the accuracy of the estimates during the Pilot phase;*
 - *Greater emphasis on fixed costs at the earliest opportunities;*
 - *Acceptance criteria for the software by SSD;*
 - *Software should be user acceptance tested and formally signed off by SSD; and*
 - *Linkage of payments to system delivery and operation.”*
- 160 Overall Conclusions of D&T included:
- *“Negotiate a framework contract with the suppliers for implementation and ongoing support of the system; and*
 - *Build a contractual position which protects SSD. “*
- 161 The advice provided by D&T was circulated to all SSD Board members in April 2000 and a presentation on the report was given by D&T.
- 162 Although a draft contractual document between the SSD and Atos was prepared and reviewed by the Department’s legal advisors, due to disagreement on terms and the subsequent need to revise the supporting documentation following the pilot phase, the contract was never finalised or signed by the parties.
- 163 At the SSD Meeting on 1 Nov 2000 the Department discussed the Pilot Evaluation Report prepared by Atos and noted that it concluded that Cúram was an excellent solution for the Department. The Chief Officer said that the project was not a fixed price contract, that the expenditure projections were best estimates and that a financial risk element to the Department had to be recognised.
- 164 No discussions of the pros and cons of a time and materials based contract were noted, or the contractual position should the project prove unsuccessful even though significant risks had earlier been highlighted by D&T.
- 165 The Department approved the full 2 year technical migration of Benefits and Contributions at an estimated £4.6M including expenses, payable to Atos on a time and materials basis.
- 166 In February 2002, 8 months after Project 1 was suspended, the SSD Administrator enquired to the Law Officers of the Crown as to the legal position the SSD was in with regard to the Atos contract. The written Law Officers’ response dated 1 March 2002 included the following extracts:
- “The recovery of the costs of the Pilot Phase may prove problematical because it seems that this was an indispensable step on the process that you have undertaken. In other words the Authority was willing to risk this expenditure to ascertain whether the Cúram solution was viable.*
- After the letter of intent in August 2000 there is no express contractual basis underpinning the project work carried out by Sema [Atos]. Schedule 11 contractual cover was clearly no longer applicable and Schedule 12 contractual cover was still being negotiated. In practicable terms this meant the “Estimating Basis” may have been work under the Schedule 11 whereas the Post Pilot Estimate was prepared in a legal vacuum (a legal environment to be determined by reference to legal principals and argument if the parties are unable to agree).*

Finally, the Authority received advice from Deloitte's in their Review of Atos' Technical Migration Plan (2000) that they should enter into a framework agreement for this project so as to militate against the risk of the costs spiralling out of control. During the meeting I did not raise directly with you the question of why such a contract with Atos had not been executed as the focus of what I was being asked to consider was based on the fact that none had been executed."

Recommendation 9: The Department must ensure that contractual terms are agreed and documentation signed by all parties, prior to commencement of work.

167 In contrast however, in respect of Project 2, a contractual agreement was put in place which specifically addressed identified project risks. The Department used the services of D&T to negotiate the contractual basis and a London based lawyer with software agreement expertise to review the contract.

Project Management

Was a recognised project management methodology followed?

168 Our review found evidence to suggest that PRINCE Project Management methodology principles and documentation standards were being followed by Atos. We have been informed that Atos were responsible for delivering the project according to PRINCE aligned methodology, although this was not a requirement in the contract.

169 Only two departmental staff involved in the project received formal project management principles training. As this was a 3 day residential course, it is likely to be aligned to a foundation course in project management rather than formal qualification.

170 The SSD did not seek assurance from Atos that PRINCE methodology was being followed appropriately. This lack of PRINCE training and assurance over

Atos' delivery in accordance to PRINCE suggest that while certain aspects of project management best practice were used, due to the lack of training, it could not have been rigidly adhered to throughout both Projects. The lack of formal sign-off for testing and go-live re-enforces this.

171 This lack of training is directly opposed to Audit Commission guidelines issued in May 2001 as a result of a review of Information & Communications Technology in the States of Guernsey, which stated *"A formal project management methodology, with adequate training in its use, should be implemented. Training in the methodology should involve users as well as technical personnel"*.

This was reiterated in the recommendations of an Audit Commission report on Project Management issued in May 2003, which stated *"The need for further and wider acceptance and employment of skilled project management expertise and sound project management techniques"*.

Recommendation 18: All staff involved with the management of projects should receive appropriate Project Management training.

If a member of Department staff is to be responsible for the day to day project delivery, then that staff member should obtain formal project management qualifications prior to commencement of the project. Alternatively, the Department should consider hiring an experienced independent project manager to deliver the project. This also applies where the supplier provides a project manager but the Department retains significant project management responsibilities, as in this case.

If a third party is responsible for delivery of the project according to project management methodology, the Department should seek assurance that it is being delivered as such.

- 172 Furthermore the project manager retained his responsibilities as the Deputy Administrator of the SSD. Audit Commission guidelines on Project Management issued in 2003, state:

“...project management should not be seen as a ‘bolt on’ to the day job.... It is important that key staff within committees should be allowed to continue with their important day jobs rather than being diverted to managing projects. Hence, the Audit Commission feels that major projects should have a specialist project manager brought in from outside the States”

Was there a project sponsor?

- 173 We found that the role of project sponsor was not clearly defined and it was not clear whether the Administrator or the Deputy Administrator of the SSD held this position. In practice it appeared that the role had been shared.

- 174 The following weaknesses were noted in the project structure used during both projects:

- The Deputy Administrator was also responsible for the day to day management of the project within SSD. Therefore there is a risk that he may not have been able to act effectively or objectively in an oversight role in fulfilling this dual role.

Recommendation 10: The project sponsor for significant projects should be the Chief Officer of the Department to ensure they have suitably senior status to support the project.

- Although the Project 2 Project Definition Plan (para 81) contains a diagrammatic project structure with roles assigned to individuals, it doesn't assign responsibilities to a number of these roles.

Recommendation 19: Roles and responsibilities should be assigned to each member of the project team and feedback obtained to gain assurance that team members are aware of and understand their responsibilities.

- The Project Board consisted of up to five members of the SSD plus three members of the Atos project team.
- The Project Board did not authorise any decisions. In effect they acted as a forum to discuss progress on the project and receive formal progress and monitoring reports from team members. Decisions were thus only documented in the SSD Board minutes.

Recommendation 20: The Project Board should be responsible for overall direction and management of the project, approving all key plans and signing off each stage of the project. It should authorise decisions before referring them to the project sponsor and Department board for final authorisation.

The Project Board should consist of senior members of the Department, including representation from the central States IT department. Where the supplier is represented on the Project Board, they should not have a vote on key project decisions.

Was appropriate supporting documentation drawn up?

- 175 Excluding a benefits realisation plan and single identifiable business case for project 2 (**recommendations 1 & 3**), our review found that all appropriate supporting project management documentation was drawn up.

Was effective governance in place?

- 176 The SSD Board had ultimate governance throughout both projects. Our review has found that all key information and all key decisions were provided/referred to the SSD Board on a timely basis.

177 The SSD Board meet on a fortnightly basis, meetings at which either the SSD Administrator or his Deputy attend as part of their day to day role (not purely reporting on this project).

178 The technological migration plan (as the project is referred to throughout the SSD minutes) did not appear to be a standing item on the Agenda.

Recommendation 21: To improve the effectiveness of it's governance, the Department board should:

- (i) Ensure that the project is a standing item on the agenda;
- (ii) Receive regular, monthly or quarterly, project finance reports detailing the project status, actual costs, projected costs to completion, budgeted costs and explanations for variances (all costs should include internal costs); and
- (iii) If they are relying on external validation, be responsible for determining the scope of any review performed.

This will ensure that they are properly informed in a timely and consistent manner of all the issues/progress of the project and can take greater comfort from recommendations raised by third parties.

179 On 7 July 1999, the SSD Board stated that they wished to keep their involvement at high level decision making only, accepting advice from staff and seeking external validation where appropriate.

180 The responsibility for drawing up the scope of any external validation review was the responsibility of the SSD Administrator and his Deputy. It has been noted that there were instances where the scope of the review can be considered limited to the point that the review does not provide the validation required. For example, the following is the scope of the D&T review of the Technological Migration plan in April 2000 (para 42).

"To review Atos' proposal to migrate GSSA's systems using the option preferred by GSSA and Atos (Option 3) and provide our

comment on the reasonableness of the migration plan in terms of:

- i) *Architecture and design of the proposed solution*
- ii) *The migration programme plan*
- iii) *Value for money*

Our work included a high level review of the Atos documentation sent to us by GSSA. In addition we carried out a series of telephone conversations and an interview with [the Deputy Administrator] and [IT Manager] of GSSA.

The following are outside of the scope of our work:

- Interviews of SEMA [Atos] or ITD [Cúram] staff

- Detailed review of risks on the programme risk register

- Hands-on inspection of the Cúram software

- Inspection of any documentation not listed below (list includes the standard documentation [updated to reflect Cúram] produced during the Programme Planning Stage)."

181 This narrow scope gives the impression that the Department were seeking comfort over the viability of the Cúram solution, rather an assessment of Cúram against the other options noted in para 41. All findings are based on Atos and SSD information only.

182 There is a risk that SSD Board members might not have fully understood the scope of the review, and hence drawn wrong inferences and made wrong decisions based on the recommendations. **Recommendation 21.**

183 On 5 April 2002, immediately prior to a key project decision, the SSD Administrator circulated a file note of a conversation held with a consultant that had not been employed by the

Department. That consultant expressed a different view on the project direction.

Recommendation 11: When alternative views are received relating to key project decisions, these views ought to be substantiated and only then, formally presented to the Department board for consideration.

184 Our review confirmed that SSD Board members were seen to be asking appropriate questions about the project at appropriate times, giving comfort that SSD Board members were up to date with the history and issues involved with both projects.

185 Audit Commission guidelines on Project Management issued in May 2003 state that:

“...it is recommended that, for high value projects, a representative of the Internal Audit Department also attends project meetings....Internal Audit Department would have a remit to ensure the project management is sound, and also to ensure that any relevant product delivered by the project has proper internal controls in-built and that the end product achieves value for money.”

Our review found that Internal Audit did not have an on-going role in the GISSS project.

Recommendation 12: To ensure proper governance, all significant projects should have an on-going project assurance role undertaken by Internal Audit or where appropriate, by suitably qualified and experienced third parties.

Was communication appropriate following changes in the department board?

186 Although the composition of the SSD Board remained stable for the majority of the project, SSD Board members changed on a number of occasions during the life of the Project.

187 The new members were informed of

their responsibilities through the issuing of the Policy and Resource plan for the relevant year in which they joined and through informal non-evidenced briefings. A review of the Policy and Resource Plan shows that the technological migration plan (and the details of the Project) was included.

188 However, this only informs the new members that the project is underway; it does not inform them of their roles and responsibilities in respect of the governance of this project.

Recommendation 22: There should be a formal procedure whereby new Department board members are explicitly made aware of their roles and responsibilities on all projects.

Were risks effectively managed and communicated?

189 An initial risk register was produced at the programme planning stage (para 38) reflecting the risks to the project. This was then re-scoped in February 2000. The risk register was not re-scoped for project 2 in 2002. The risk register was appropriately structured covering the impact, timing and likelihood of each risk evaluated. Each risk had a mitigation plan in place and was assigned an owner.

190 A review of the risk register indicated that there are no financial, reputational or compliance risks explicitly expressed within.

191 Risk registers were not reviewed during the lifecycle of either Project 1 or 2 as a matter of course at the Project Board meetings. The close working nature of the project team at the SSD means that issues and risks would be communicated informally on a daily basis.

192 Atos activity reports for the period 2000-2006 include a section for “risk/issues”. However, items recorded within were issues and risks to project progress, i.e. issues that need to be resolved so that

the Project can continue.

193 We understand that all risks identified during the course of the project were then mitigated against by adding actions to the project plan held by the project sponsor.

194 Without a formal up to date record of all risks identified and their mitigating controls, management cannot take assurance that the key risks affecting the success of the project are being mitigated against effectively.

195 The main reason project 1 failed was due to the increasing cost estimate as a result of:

- the Department's specifications not being fully scoped;
- the lack of understanding of what the Cúram product offered; and
- an analysis between the two.

196 The risk register from project 1 doesn't include any financial risks however it does include the risks that:

- the assumptions and estimates on which the programme plan and business case are based may be faulty; and
- the high level requirements produced to date may lead to Atos underestimating the complexity of the departments business.

197 If these risks had been tracked, management should have been more alert to the risk of future estimate increases, taking action earlier on Project 1 and possibly reducing expenditure.

Recommendation 13: The Department should ensure that all risks are effectively managed and communicated throughout all future projects.

198 A formal risk management methodology was not adopted during both projects, and therefore risk management was

ineffective.

Was communication effectively managed?

199 Our review found that communications were effective throughout the Projects. An explicit communication strategy was not produced during the initial phases of either Project 1 or Project 2. The need for a communication strategy is greatly reduced considering the size and nature of the Department.

200 All key internal stakeholders for the Benefits system were actively involved in the user acceptance testing of the system for a period spanning 2-3 years and the Project Board included Department and Atos members. Weekly departmental management meetings enabled departmental managers to informally discuss the project progress and impact with staff members not involved in the project.

201 Similarly, the SSD Board was kept well informed at all times as to the status of the project.

Was progress on milestones assessed and reported?

202 Progress against project milestones or major deliverables was reported by Atos during Project 1 (paras 47-51).

203 Progress against the milestones listed within the Project 2 Project Definition Plan (para 81) was regularly reported on by Atos via their monthly activity reports provided to the Project Board and project sponsor. The milestones constituted each of the 8 releases by which SSD were provided with GISSS functionality.

204 Following the delivery of the final release in February 2005, the only remaining milestones left were successful user acceptance testing, Go-live and then Sign-off in the live environment. The responsibility of achieving these milestones was largely in the hands of the Department and dependent on the successful resolution of any

development anomalies arising. The state of development anomaly resolution was reported to the project sponsor on a regular basis.

- 205 **By structuring the contract in such a way as to make payments due to Atos dependent on receiving the release, the Department effectively mitigated the risk that Atos would not deliver the releases in a timely manner. By making the final payments due following successful user acceptance testing and system running in live, the Department successfully put the onus on Atos to deliver all development anomaly fixes in a timely manner.**

Were contingency arrangements drawn up?

- 206 A formal regression strategy was approved by the SSD Board on 5 April 2006. This was to fall back to the existing mainframe environment if, during go-live, GISSS was deemed not to be working properly. The mainframe was still under lease from the supplier until 2008 and would continue to be supported by Atos under the contract entered into in 1996.
- 207 This contingency plan was not without risk, as although in essence the mainframe and GISSS were two mutually exclusive systems and could operate separately, no period of parallel testing was performed before go-live nor was processing performed on the mainframe after go-live. This is due to the fundamental differences between the two systems making it impossible to reconcile the two systems or run them in parallel.
- 208 Thus whilst the regression strategy could have been simply invoked immediately after go-live, it would have been very difficult to put into effect had a problem occurred after a period of processing had been undertaken post go-live.
- 209 This risk was accepted by the Department and addressed by placing greater emphasis on the successful

completion of the testing and resolution of outstanding development anomalies.

Data Cleansing & Migration

Was there a strategy for data migration and cleansing?

- 210 No overall migration/data cleansing strategy existed, however our review found data migration and cleansing to have been appropriately considered throughout both Projects in the Use Cases.

Was there effective testing of data migration and cleansing?

- 211 The accuracy and completeness of data cleansing & migration appears to have been tested effectively throughout Project 2 as cleansing and migration requirements were included within the Use Cases discussed in System Testing below.
- 212 However, the testing of migration & cleansing is subject to the same limitations as functionality testing in as much as:
- It wasn't subject to formal recording and central monitoring; and
 - It wasn't signed-off as completed.

Recommendation 23: The results of all testing performed should be recorded and monitored centrally so as to provide detailed and timely information on the progress & success of testing, and to provide the Project Board with comfort that all testing has been performed.

System Design & Configuration

Was the new system aligned to existing business processes, or did business processes require re-engineering?

- 213 There has been no fundamental change to the rules behind the issuing of benefits. Changes were however made

to business processes to simplify and make the processes of administering benefits more efficient, such as:

- The set up of a rules engine to streamline the processing and maintenance of benefits;
- Consolidation of benefit payments to reduce the quantity of regular payments;
- Better storage of case history which improves the assessment of benefit claims; and
- Introduction of an enhanced Management Information Suite (MIS) for business reporting.

214 In addition, after commencement of Project 2, the Department were required to make more significant changes to the specification for gender equality legislation that had been introduced.

215 Any business process change would have been authorised by the benefits managers as part of the Use Case sign-off procedure, mitigating the risk that inappropriate changes would be made.

Were internal controls considered in the system design?

216 **Our review¹ found that internal controls were appropriately considered in the system's design. There are many internal controls within GISSS including the use of automated workflows, segregation of duties and referral percentages. These internal controls are inherent within the general benefit-wide Use Cases and have specific Use Cases that apply solely to them.**

¹ In accordance with our agreed scope, set out in Appendix A to this report, our assessment of controls was limited to extent that we ascertained whether Department management adequately considered controls. We have not evaluated the design or adequateness of internal controls incorporated in the build of GISSS.

Was system security considered in the system design?

217 Our review¹ found that system security was appropriately considered in the system design and detailed specification for Project 2.

Was the system designed in accordance with the original specification?

218 The use of the detailed specification, followed by the building of the Use Cases aligned the build of the system to original specification in terms of supporting the system's build. Again, using managers and lead users to design and sign off on the Use Cases helps give comfort that there aren't any significant sections of the specification missing and that the system is designed to meet the requirements of the Department.

Have actual business processes, internal control and security environments been audited for adequacy and effectiveness?

219 GISSS or the business processes GISSS supports have not been subject to separate audits. We have been informed that controls around GISSS have been tested as part of the external auditor's work for 06/07. The auditor's management report does not include any GISSS specific recommendations.

220 The scope of the external auditor's work over GISSS is unknown, therefore we are unable to say whether it constitutes a review of adequacy and effectiveness.

Recommendation 24: The processes, internal control and security environments of significant new systems should be subjected to audit so that the Department can gain assurance over the confidentiality, integrity and availability of the (possibly sensitive) information within the system and that control weaknesses do not expose the Department to an increased risk of fraud or risk to their reputation.

System Testing

Was the system effectively tested?

- 221 GISSS is built using a series of "Use Cases". The Use Cases are taken directly from the detailed specification drawn up with Atos and encapsulate all the specification not included in the Cúram out-of-the-box solution. By encapsulating the bespoke specification, these Use Cases are the building blocks of GISSS. There are 115 Use Cases in total and all were signed off by the relevant benefit managers, lead users, Atos and the Deputy Administrator.
- 222 A Use Case could apply to an individual benefit, to multiple benefits or to all benefits. After sign off, they were then passed to Atos to build the specification. Once this was done, they were placed into a "release" for testing by the SSD. Following receipt of a release, the Use Cases were then subjected to user acceptance testing through the test cases and scripts detailed below.
- 223 Each Use Case was broken down into a series of conditions which needed to be tested to ensure that the Use Case was functioning properly.
- 224 The test cases were individuals or dummy individuals within the testing database to whom the conditions that needed to be tested applied. One test case might satisfy multiple conditions within a Use Case.
- 225 Using the test cases, the lead users (supervisor level staff within each separate benefit Department) would then devise scripts which would enable the test cases to be tested. A script can be used for multiple different test cases.
- 226 The construction of GISSS and subsequent testing appears to have been well thought out, with the test scripts apparently derived from the specification documents. The use of knowledgeable and senior lead users (from the benefits departments) to sign off on the Use Cases and construct the conditions, test cases and test scripts means that GISSS should be tailored precisely to meet the departments needs.
- 227 The design of the conditions, test cases and test scripts were not officially signed off by the lead users and Project Board.
- 228 The lead users however drove this process and built test cases based on their detailed knowledge of the business, ie not just the initial specification. The lead users were ideally placed to identify whether or not the conditions/test cases/test scripts were complete as they were going to have to use the system when it was live.
- 229 Each benefit group and Use Case was migrated separately as and when the scheduled versions were released by Atos. These benefits were tested by performing user acceptance testing of individual test cases and checking their outputs. This was repeated for each Use Case and for each test case.
- 230 The testing was supported by a user acceptance testing guidelines document and user acceptance testing strategy document.
- 231 Users would perform testing according to pre-determined test schedules dependent on which release they are testing at the time.
- 232 However there was no formal centralised recording of when each test was performed, by whom, the outcome of it and subsequent sign off of a successful test. **Recommendation 23.**
- 233 The Department used a tracking system to track the issues raised during user acceptance testing. These issues were split into three categories:
- A development anomaly - these were raised when the functionality of GISSS was not working as per the testing script. Through the hierarchical structure, this would indicate an issue in the functionality of GISSS compared to the agreed specification;

- A change request - these were raised when the functionality of GISSS was not working as per the testing script as a result of the required functionality not being included within the original specification; and
- An open issue - these were raised when the functionality of GISSS was not working as per the testing script as a result of a dependency on other Use Cases that had not yet being released for user acceptance testing.

234 When the issue had been fixed, the fix would be placed into release and given back to the Department for further user acceptance testing. If successful, these issues would then be closed on the tracking system. The tracking system therefore acted as a monitoring control over the success of the user acceptance testing.

235 Stress testing of the GISSS servers was performed by Atos in March 2006. The subsequent report highlighted no significant issues.

Was interoperability with other systems and the network tested?

236 GISSS has interfaces with four other systems:

- SUN accounts;
- Keymed;
- The Contributions System; and
- The GISSS management information system.

237 Our review found that all interfaces were tested as part of pre go-live user acceptance testing and during go-live. However, as with other areas, there is no formal signoff of the testing.

Recommendation 23.

Go-Live

Was there a process in place to effectively manage the go-live process?

238 As stated previously, the go-live process involved the migration of the data into the live environment. Go-live was performed between 21 September and 26 September 2006, with testing being performed over the course of the weekend.

239 The migration was controlled using a series of exception reports and control spreadsheets (see migration/data cleansing section for more details). Following migration, testing consisted of producing a number of specified exception reports to test the accuracy of the migrated data.

240 These reports were produced by each relevant benefit manager who was then responsible for ensuring all errors raised were fixed over the go-live weekend.

241 Comfort over the functionality of the system at go-live was obtained through the detailed user acceptance testing performed for the 2 years prior to go-live and a full system test undertaken in 2006.

242 The final test was if a successful payment run could be performed. The payment run test was successful, albeit with a failure of the bridge meaning a number of payments were skipped the first time. This was detected and corrected immediately.

243 Go-live followed a timetable held on the Deputy Administrator's computer which detailed the timings of all the go-live tasks and appeared to follow the high level go-live strategy included within the go-live approach assessment (para 87).

244 There was no central checklist maintained that recorded:

- Each task had been performed as per the migration plan/ timetable;
- The success/failure of each task;

- Implications of failure;
- That all tasks were completed; and
- That enough evidence was gained for sign-off.

245 Comfort over the items above was gained through verbal confirmation from the lead users/testers and other members of the project team. This was done through constant monitoring of their progress (through verbal communication) and regular round-the-table progress meetings over the course of the go-live weekend.

246 Similarly, the lead users and testers were not required to sign off on the success or failure of their testing over the weekend.

247 Evidence does exist to suggest that the lead users were controlling their testing appropriately. The risks of issues not being identified on a timely basis is partly mitigated by the continued close working nature of the project team.

Did the process provide for effective sign off and management of project and system risk in the live environment?

248 There was no explicit authorisation of go-live by the SSD Board or the Project Board. Both boards were informed of the decision to go-live and had the power to decide to postpone or cancel go-live. As there is no minuted evidence of disagreement with the go-live dates some comfort can be taken that both boards implicitly approved go-live.

249 Similarly, there is no explicit sign off of go-live by the SSD Board or the Project Board to accept the system into the live environment.

Recommendation 25: The Project Board and the Department board should explicitly authorise the go-live process. Similarly, the Project Board and the Department board should explicitly accept the system into the live environment following the go-live process.

250 The decision to go-live with GISSS was made by the Deputy Administrator following the successful completion of the go-live timetable detailed above. There is no evidence of this decision being made.

251 A list of pre-determined criteria to determine the success or failure of go-live was not used. The need for such a list is negated by the "all or nothing" nature of go-live, meaning that all the functionality of GISSS needed to work adequately for the system to be accepted into the live environment.

Training

Was there an effective training strategy to ensure that users fully understand how to use the new system?

252 A formal training strategy detailing the objectives, delivery methods and feedback mechanisms was not in place. However, our review found strong evidence to indicate that training was well thought out and provided to all users on a timely basis.

253 The content of the training was devised by Project Board members following liaison with the benefits lead users who had been heavily involved in the user acceptance testing. The majority of the training was performed by a member of the Project Board who had been heavily involved in the project since its inception. Lead users also performed more detailed benefit specific training so that staff members within their Department were fully trained on GISSS before go-live.

254 **The training was appropriately**

provided to users dependent on their ongoing roles and responsibilities within GISSS.

- 255 The progress of training by each benefit department was monitored centrally, to ensure that all necessary training was provided before go-live.
- 256 No formal feedback system existed to ensure that the training was complete and met the user's needs. Feedback over the training was gained either through:
- Verbal feedback from users at the end of training sessions;
 - Verbal feedback from lead users that additional elements should be added to the training; and
 - The use of quizzes to identify gaps in the user's knowledge.

Recommendation 29: The Department should ensure that a formal feedback system is implemented to ensure that training provided is complete and adequately meets the user's needs.

Support & Maintenance

Are adequate arrangements in place for the ongoing support & maintenance of the system?

- 257 GISSS was supported by Atos at a cost of £247,500 per year. This contract expired on 26 September 2007.
- 258 We have been informed that the SSD consider the risk of GISSS not being supported in the longer term to be minimal. This is based on verbal assurances from Cúram, who have said that they can support GISSS should Atos decide not to.
- 259 A review of the 2006/2007 support contract indicated that the level of support provided by Atos appeared adequate and did not appear to include any unnecessary services.

260 The 2006/2007 support contract was not governed by a Service Level Agreement by which Atos' performance could be measured, because the contract contained a limitation on the number of man days support that would be provided.

261 We understand that a new support contract has been approved by the SSD at an annualised cost of £250,000, with an 18 month duration. We have been informed that the new support contract is governed by a Service Level Agreement and is not resource constrained.

Recommendation 26: The Department should ensure that support contracts are governed by a Service Level Agreement. This will enable the Department to monitor performance and will place the Department in a strong position should support performance deteriorate.

262 The initial support contract was only authorised on 1 August 2006 by the SSD Board, less than 2 months before the system was to due to go-live. Also, the support contract was only for 1 year. This is despite the fact that on 12 July 2002 D&T issued a letter detailing areas where they had concerns over the contractual negotiations with Atos, which included:

"To date, no negotiation has taken place regarding the support and maintenance of the new system to be provided by SchlumbergerSema [Atos]. It is the objective of the GSSA that you will be self supporting in the future, requiring only routine product maintenance from the supplier.

However, until GSSA are convinced that internal resources can provide effective support and maintenance, you will need a contractual arrangement for the provision of these services. Although this service could in theory be provided by any supplier with appropriate technical skills and business understanding, SchlumbergerSema [Atos] will be the prime candidate as they will have performed most of the design and configuration work. Indeed, other suppliers are unlikely to be attracted to a support

contract for a complex product in a relatively unique market.

The risk faced by GSSA is that you will not achieve the best terms for the support agreement from Atos since your bargaining power is weakened once a contract for delivery is signed, and continues to weaken as the implementation project progresses. Early agreement of support terms is therefore essential.”

263 Leaving the negotiation of the support contract until the system is almost live is inherently risky with any project involving a system as bespoke as GISSS. At the time of go-live it is likely that only the developers will possess the requisite knowledge to appropriately support the system. By leaving it to the end of the project the SSD significantly increased the risk that the system would not be appropriately supported, in turn increasing the risk of system failure, damaged reputation or invalid payments being made.

Recommendation 14: The Department should ensure that the ongoing support of the system is agreed with the developers (or an appropriate 3rd party) during the initial tendering process.

Financial & Ongoing Operating Costs

Benefits

Were the system cost benefits defined at the project outset?

264 A Department paper entitled 'Business Vision' dated October 1999 contained a number of aims to be achieved through Technological Migration (para 116). These objectives were however general in nature. **Recommendation 4.**

265 The initial business case for Project 1 prepared by Atos dated April 2000, contained 10 year cash flow projections over the 2 year system implementation and 8 years running the new system. From the projections for the Cúram solution, the following projected cost benefits over the 10 year period can be ascertained:

- Staff efficiency savings of £456k; and
- Saved spending on the legacy mainframe system of £3,960k.

266 In February 2002, whilst reviewing the proposals and updated business case for the recommencement of the Benefits and Contributions project, D&T noted that:

- "The total cost quoted by SchlumbergerSema [Atos] for the combined Contributions and Benefits solution is £14.6m over a 10 year period, offset by efficiency savings amounting to a maximum of £0.2m p.a., saved enhancement costs of £1.6m and up to £0.4m p.a. operational cost savings on existing ICL [mainframe] hardware and software;
- Using parameters applied to UK public sector IT investments the payback period for both SchlumbergerSema [Atos] proposals exceeds the probable

lifetime of the system.

Our review indicates that the investment proposed by SchlumbergerSema [Atos] can only be justified on non-financial grounds."

267 Thus although the department had identified a need to undertake the GISSS project, ie to migrate from a mainframe environment to a modern PC/Server environment, only limited financial benefits had been identified.

268 **We have found no evidence that the cost benefits were subsequently reassessed and documented when the decision to go ahead with the 'Benefits and Bridge option' was made in April 2002.**

269 Thus whilst some efficiency gains and cost savings were identified they were not revised to match the final decision outcome of proceeding with a Benefits only system. **Recommendation 1.**

Have the cost benefits been monitored and assessed post go-live?

270 To achieve Value for Money, it is essential that project objectives and benefits are sufficiently measurable and that they are evaluated and monitored post go-live.

271 **We found that no attempt has been made post go-live to identify the benefits being realised from the new system or to assess the benefits against the business case. Recommendation 2.**

272 In practice, it would however be difficult for the SSD to assess the benefits of the new system against the project objectives as no criterion was established at the outset.

Cost Management

Was a calculation of the total cost of ownership prepared and approved at the project outset?

273 A total cost of ownership calculation was included in the Business Case prepared by Atos in April 2000, which contained three costing options:

- (i) Cúram based solution £6.7m;
- (ii) a bespoke Atos solution £8.8m; and
- (iii) the do-nothing approach as £4.4m.

The costs were prepared based on a 10 year cash flow projection, over the two years of the system implementation and eight years of running the new system. The do-nothing approach was the cost of continuing to use, develop and maintain the legacy mainframe system.

274 Analysis of the £6.7m Cúram option, indicates that £5.7m (figure 1) related to the two year implementation costs and the projected post go-live operating costs for eight years were £1.0m (net of £0.5m of staff efficiency savings).

275 The initial SSD Board decision in April 2000 to proceed with the Cúram option was based on these projected costings. The budgeted amount payable to Atos was then increased from £4.0m to £4.6m in November 2000, following the completion of the Cúram pilot.

276 Following the suspension of Project 1 costings for Project 2 options were prepared by D&T dated 4 Feb 2002 using a discounted cash flow approach. The discounted cash flows detailed three options over a 10 year period and included hardware, software, existing mainframe cost, plus post go-live mainframe savings and savings resulting from reductions in resources used in transaction processing. The three options were:

- (i) Continue with Existing System - £6.2M

(ii) Phased Implementation, Benefits and Contributions implemented within 4 years - £9.7M

(iii) Concurrent Implementation, Benefits & Contributions fully implemented after 2 years - £8.8M

277 On 11 April 2002, the Department board approved a £4.23M fixed price contract which was a hybrid of option (ii), completing the benefits module using a bridge to the legacy contributions mainframe. It was concluded that a decision on when to negotiate and commence the contributions module would be made at a later stage.

278 There is no evidence however that the SSD prepared or requested a total cost of ownership calculation based on the Benefits and Bridge solution that they finally approved.

Recommendation 15: A calculation of the total cost of ownership should be prepared for all significant projects. The calculations should include the scenario for which approval is being requested from the Department board.

A defined methodology should be established to identify and quantify all costs that should be included in the total cost of ownership, including the assumptions and rationale for any excluded or unquantifiable costs.

279 Although a capital project of this magnitude would normally require the approval of the States of Guernsey (it is our understanding that capital projects in excess of £250k would normally require approval of the States of Guernsey), we have been informed that the Social Security mandate is such that no such approval is necessary.

280 We are however aware of two letters that were sent as a matter of courtesy by the SSD to Advisory & Finance (A&F), these are detailed below. In addition, the States Treasurer attended SSD Board meetings between February and

April 2002, during which time the SSD Board discussed the options to recommence the GISSS project. We also understand that the GISSS project was discussed at the regular informal meetings between the SSD Administrator and the States Treasurer, however these meetings are not documented.

281 The first letter was sent on 12 December 2001 informing A&F that Project 1 had been halted in June 2001. The letter detailed that the halting of Project 1 was due to notification from Atos that the benefits element of the GISSS budget was likely to be exceeded by 85%. Attachments to this letter detailed the original Atos estimate of £2,092k to complete the benefits phase following the £524K pilot phase and that £2,008k in total had already been paid to external parties.

282 A subsequent letter was sent to A&F dated 17 April 2002 detailing the unanimous approval by the Department's board to enter into a fixed price contract with Atos for a further £4.23M to complete the Benefits System only. The letter also set out the basis on which the Department was acting against the advice of their consultants D&T and detailed the previous costs incurred as approximately £2.8M.

283 A&F responded in a letter dated 8 May 2002 with the following final paragraph:

"Although expenditure on this project will be met from the various Funds administered by the GSSA (and therefore the Authority does not need the Committee's approval), I should be grateful if you would continue to keep the Committee informed as matters progress."

We found no further formal project reporting to A&F, however, we were advised that the informal meetings between the SSD Administrator and the States Treasurer continued after this time (para 280).

Recommendation 16: The mandate for the SSD, which we have been informed, does not require States of Guernsey approval for significant expenditure should be considered. This reduced the transparency and the effectiveness of the overall governance of the project.

Did the total cost of ownership include all direct external and internal costs?

284 The cash flows in the Programme Plan prepared by Atos in February 2000 included external and some internal project costs, along with explanations for the basis on which amounts had been calculated. Subsequent calculations prepared by D&T for Project 2 contained significantly less supporting information to assess the reasonableness of the amounts included.

285 Whilst the projected cash flows prepared by Atos included a provision for additional staff costs of £160k during the two year implementation period for Project 1, the discounted cash flows prepared by D&T for Project 2 did not include internal labour costs during the development and implementation phase. **Recommendation 15.**

286 Our investigations have identified that the estimated total time spent on Project 2 by SSD staff (including 9 Benefits personnel, a project manager, a business analyst, 3 programmers, a tester and a person responsible for data migration) amounted to approximately 47 years. This represents a salary cost in the order of £1.4m. The majority of Benefits personnel used were supervisors and senior administrators and thus contract employees were used for several years to augment the Benefits department. Due to the lapsed time and absence of available records, we have not been able to calculate staff costs attributable to Project 1.

Was an appropriate system of accounting set up to identify and track project costs?

287 Due to the lapsed time and a change in the Department's general ledger system, accounting information for the period

1999 to 2001 is now very limited. As a result it is not possible for us to comment on the effectiveness of the accounting systems for Project 1.

288 An attempt was made to project account for Project 2. General Ledger codes were established for:

- Hardware & Additional Software etc;
- Development costs and fees; and
- Travel & Accommodation.

However, no attempt was made to identify and account for internal costs, such as staff costs (para 286) that were directly relevant to the project.

289 In addition, our analysis of the project costs identified both hardware and software that was acquired solely for the implementation or migration of the new Benefits System that were accounted for under general IT ledger codes.

Recommendation 27: All external costs directly associated with the project should be allocated to project specific accounting codes. Internal costs, such as labour should also be identified and allocated to the project costs.

Did the department and project boards receive regular communication of actual versus budgeted costs?

290 On 1 Nov 2000 the SSD Board requested the department prepare quarterly reports showing costs to date, progress against plan, and a measure of work remaining for Project 1. In the seven months prior to the suspension of Project 1, we found no evidence that such reports were prepared. Recommendation 21.

291 The Department did receive monthly reports from Atos on project progress however, these reports focused on 'man' days spent against the total budgeted days and there was no clear indication as to whether the unspent days were sufficient to complete the project on

budget.

292 If more detailed information had been obtained from Atos on a timely basis and the Board reports had been prepared, the SSD Board should not have received the surprise notification of escalating projected costs that culminated in the suspension of Project 1.

293 As Project 2 was considered by the SSD to be a fixed price contract, the Department did not consider that regular financial reports of project costs were necessary.

294 However, the fixed price contract was only one element of the total cost of ownership, for example, there was no monitoring of the internal labour costs devoted to the project nor to the impact the delays were having on other business activities.

295 During the project, the SSD Board changed several times and it is unclear what financial information, if any, was provided to new members.

296 Although a calculation of capitalised system costs must have been prepared for the purposes of disclosure in the SSD's annual accounts, no attempt by the SSD has been made to prepare a summary of final project costs nor to compare actual with budgeted costs.

297 Value for Money principles require that there is clear and reliable information on costs and that these are assessed against budget. We found little evidence that this was happening effectively.

Recommendation 28: A final summary of project costs, including all external and internal costs, should be prepared upon project completion and presented to the Department board.

Were significant cost variations approved by the department and project boards?

298 All cost variations to the initial Atos contract and to the subsequent fixed price contract through change requests,

such as the gender equality change, were presented to the Department board members for approval.

299 Our investigations however identified expenditure on related software and hardware for the Benefits System, some of which was charged to general IT codes (para 289). In the absence of a specific budget for Project 2 it is unclear whether this expenditure was approved at the outset. Although these items individually would not be considered significant, over the life of the project they do total a significant amount.

Recommendation 30: Smaller items of expenditure should be project accounted for and thus approved by the Department board when reviewing the regular financial project reports.

Actual Costs

What were the final project costs?

	Actual Costs		Budgeted Costs	
	Project 1	Project 2	Total (Benefits only)	Total (Benefits & Contributions)
	£'000	£'000	£'000	£'000
Project Planning	497	-	497	497
Software Development	2,004	4,331	6,335	4,022
Cúram License Fees	898	469	1,367	986
Other Software & Hardware	172	688	860	514
Professional Fees	23	150	173	-
Internal Costs (see para 303)	-	-	-	168
Total	£3,594	£5,638	£9,232	£6,187

Figure 1

We have not adjusted the original budget for any RPI changes that could be relevant due to the delays incurred with the project. For indicative purposes only, we estimate that any RPI adjustment required could be in the region of £500k.

300 The budgeted costs are extracted from the Atos Business Case document dated April 2000 and formed part of the board papers for the 19 April 2000 SSD Board meeting at which the members agreed to proceed with Project 1, the Cúram based GISSS solution (para 273). A revised software development budget of £4.6m was approved for Project 1 after the pilot phase had been completed. There was no specific budget for Project 2 (para 278).

301 Final project costs have not been prepared by the SSD and thus the summary actual costs included in Figure 1 were prepared by PwC from underlying records. As a proper system of project accounting was not maintained (para 288), we cannot be certain that all costs have been appropriately extracted or included in this summary.

302 The Project Planning costs of £497k were paid to the system developers, Atos (paras 33 to 42) and were authorised as incurred, prior to the approval of the Project 1 projected costings (para 300).

303 The total costs set out above, do not include internal costs of approximately £1,456k for Project 2 comprising of the estimated salary costs of 47 years of SSD staff that were assigned to the project (para 286). The budgeted internal costs of £168k were only in respect of expected additional staff costs and no budget was prepared for total internal costs.

304 No information was available which enabled us to quantify the internal staff costs for Project 1.

305 The annual accounts for the SSD, up to 31 December 2006, detail capitalised computer development costs during the period of Project 1 of £2,009k and Project 2 of £4,366k. These amounts equate approximately to the Software Development costs estimated in Figure 1, but could not be reconciled exactly.

306 We found no evidence that an impairment review was undertaken at the end of Project 1 to determine if any of the capitalised costs should have been written off.

307 The full cost incurred to date for the GISSS project has been paid for out of the Guernsey Insurance Fund. The Guernsey Insurance Fund receives all Social Security Contributions and is used to pay benefits, including pensions.

What are the ongoing operating costs of the system?

Ongoing Benefits System Costs - Annualised	£'000
Software licensing and hardware maintenance	209
Internal Staff costs	93
1 Year Atos support contract ending 26 Sept 2007	248
	£550

Figure 2

308 The annualised costs for the support and maintenance of the Benefits element of GISSS were £550k (figure 2) for 2006/07, i.e. for the first year post go-live.

309 This compares with projected annual costs of £109k that were initially budgeted by Atos in April 2000 for the full Benefits and Contributions system (para 273) and £183k projected by D&T in their review of the Project 2 options (para 276).

Again, the budgeted costs are at 2000

prices and have not been adjusted for inflation.

Ongoing Contributions System Costs - Annualised	£'000
IT Costs, excluding internal labour	344

Figure 3

310 In addition to the ongoing costs for the support and maintenance of the Benefits element of GISSS, the SSD is still incurring ongoing costs in respect of the legacy mainframe system still required to run contributions. These are currently estimated to be £344k per annum (figure 3).

311 This level of costs has been incurred since 2004 and includes the annual lease costs for the mainframe hardware which was replaced in 2003. This hardware lease contract expires in April 2008, at which time the SSD will be required to replace their mainframe hardware again.

312 **It is important to note that under the initial GISSS project objectives, both the Benefits and Contributions systems should have been migrated from the legacy mainframe system and thus no ongoing costs for the legacy mainframe should have been incurred post 2002. As a result the GISSS system as currently implemented has failed to meet one of its primary objectives.**

Appendix A - Scope

The scope of our report is set out in our engagement letter dated 18 May 2007. The following table was included in this letter setting out the areas of focus for our report:

Section	Areas of Focus
History & Current Status	History <ul style="list-style-type: none"> • A synopsis of the project from inception to go-live will be prepared.
	Current Status <ul style="list-style-type: none"> • Is the system fully live? • Are there any significant unresolved issues?
Project Objectives	Business Case <ul style="list-style-type: none"> • Was the business case defined in terms of need? • Were key stakeholders adequately consulted? • Was it aligned to a wider business strategy?
	Project Completion <ul style="list-style-type: none"> • Have the project objectives been evaluated to determine the project success?
Planning, Authorisation and Management of Project	System Specification <ul style="list-style-type: none"> • Were the States' needs from the system adequately scoped out? • Were key stakeholders consulted? • Were legislative requirements in terms of reporting considered? • Is the system scalable? • Were alternative acquisition options considered, e.g. packages, working with other territories/departments?
	Supplier Selection <ul style="list-style-type: none"> • Were effective criteria drawn up for determining supplier requirements? • Were effective comparisons made between short-listed suppliers? • Were established procurement procedures followed?

Section**Areas of Focus****Project Management**

- Was a recognised project management methodology followed?
- Was there a project sponsor?
- Was appropriate supporting project documentation drawn up?
- Was effective governance in place?
- Was communication appropriate following changes in the Department board?
- Were risks effectively managed and communicated?
- Was communication effectively managed?
- Was progress on milestones assessed and reported?
- Were contingency arrangements drawn up?

Data Cleansing & Migration

- Was there a strategy for data cleansing and migration?
- Was there effective testing of data migration?

System Design & Configuration

- Was the new system aligned to existing business processes, or did business processes require re-engineering?
- Were internal controls considered in the system design?
- Was system security considered in the system design?
- Was the system designed in accordance with original specification?
- Have actual business processes, internal control and security environments been audited for adequacy and effectiveness?

System Testing

- Was the system effectively tested?
- Was interoperability with other systems and the network tested?

Go-live

- Was there a process in place to effectively manage the go-live process?
- Did the process provide for effective sign-off and management of project and system risk in the live environment?

Training

- Was there an effective training strategy to ensure that users fully understand how to use the new system?

Support & Maintenance

- Are adequate arrangements in place for the ongoing support and maintenance of the system?

Final and ongoing operating costs**Benefits**

- Were the system cost benefits defined at the project outset?
- Have the cost benefits been monitored and assessed post go-live?

Section**Areas of Focus**

Cost management

- Was a calculation of the total cost of ownership prepared and approved at the project outset?
- Did the total cost of ownership include all direct external and internal project costs?
- Was there an appropriate assessment of indirect costs?
- Were significant cost variations approved by the Department and project boards?
- Was an appropriate system of accounting setup to identify and track project costs?
- Did the Department and project boards receive regular communication of actual versus budgeted costs?

Actual Costs

- What were the final project costs?
- What are the ongoing operating costs of the system?

Our assessment of controls is limited to the extent that we will only ascertain whether Department management appropriately controlled the implementation of GISSS, in particular we will not consider or evaluate the design or adequateness of internal controls that were incorporated into the build of GISSS. The assessment of internal controls that have been built into GISSS should be the subject of a separate audit.

Appendix B - Glossary

A&F – Advisory & Finance Committee, now referred to as the Treasury & Resources Department.

Administrator – the senior civil servant within the SSD, also now referred to as the Chief Officer.

Atos - Atos Origin IT Services UK Limited, originally Sema UK Limited and also traded as SchlumbergerSema. Atos acted as the IT developer who undertook bespoke development and implemented the Cúram software.

Audit Commission – this was a previous governance committee of the States of Guernsey, which has now been replaced by the Public Accounts Committee.

Cúram - Cúram Software Limited originally trading as IT Design Limited. Cúram were the providers of a software application that was modified by Atos for the SSD.

Development Anomalies – issues noted during the user acceptance testing.

D&T – Deloitte & Touche.

Deputy Administrator – the deputy head of the SSD, now referred to as the Deputy Chief Officer.

GISSS – Guernsey Integrated Social Security System.

GSSA - Guernsey Social Security Authority (the 'Authority'), now referred to as the Social Security Department

IT – Information Technology.

IT Design Limited – see Cúram.

PAC - Public Accounts Committee.

PRINCE – a project management methodology developed by the UK Government. The latest version of which is known as PRINCE2.

SchlumbergerSema – see Atos.

Sema UK Limited – see Atos.

SSD – Social Security Department (the 'Department').

Use Cases – documentation setting out the bespoke modifications to be made to the Cúram system.

Notes

(NB The Public Accounts Committee has agreed to a request from the Social Security Department to attach the following letter to its States Report.)

Deputy L Gallienne
Chairman
Public Accounts Committee
Sir Charles Frossard House
St Peter Port

8th February 2008

Dear Deputy Gallienne

Implementation of the Guernsey Integrated Social Security System

I refer to your letter of 29 January 2008, with attached draft copy of the above report (Draft 3).

You note in your letter that the report is being checked for factual accuracy by the Social Security Department staff and by the Law Officers, but ask, nonetheless, for a response from the elected members of the Social Security Department, which can be appended to the report. You also note that the printing date for the March States meeting is 8 February 2008. This means that such response as the Department may provide within this letter, and which will appear in the Billet d'Etat, will be on a report that has not been finalised and may differ from the published version.

You will be aware, through previous correspondence, that the Department does have concerns over the extent to which the Public Accounts Committee has departed from its own published guidelines for an enquiry. It appears that the Committee's objective of reporting this matter to the current States assembly has taken precedence over some important procedural issues. There is a certain irony in this state of affairs, when adherence to guidelines and properly conducted and documented procedures forms the main content of the Public Accounts Committee's report and its recommendations.

The compression of normal timescales for comment and consequent compromise of procedures appears to have resulted from the Public Accounts Committee's consultants, PricewaterhouseCoopers, having taken longer than expected to prepare their report to the Committee. The precise terms of engagement of PricewaterhouseCoopers by the Public Accounts Committee are not known to the Department. The Department is disappointed, however, that the Committee has not referred more explicitly to the 'States of Guernsey IT Internal Audit Findings Report - Social Security 2006' which PricewaterhouseCoopers undertook for the Treasury and Resources Department. In that report, which is acknowledged as being of far more limited scope, the PricewaterhouseCoopers findings were generally more favourable to the Department.

The Public Accounts Committee has, separate to this review, published recommendations on the appropriate use of consultants. The relationship between the Social Security Department and its former consultants, Deloitte and Touche, is prominent in the Public Accounts Committee review of the technological migration project. The Department faced a very difficult decision in 2002 when the members decided to resume a suspended project to completion when the consultants were recommending, effectively, abandoning the project and writing off the investment to date. The Department is convinced that history now shows that the difficult decision that it took was correct.

Turning to the substance of the Public Accounts Committee's report and the appended report from PricewaterhouseCoopers, it is regrettable that the technological migration project is painted in such a poor light when it has been a substantial success. It is quite true that it took much longer to implement than first envisaged, the reasons for which included two suspensions of the project. One suspension was to negotiate a fixed price to conclusion, after it had become clear that incremental development on a time and materials basis would greatly exceed the indicative budget. The second suspension, by mutual agreement of the contacting parties, was to allow Curam, the supplier of the framework infrastructure, to release a new generation version of its product.

The Department makes no apology for any time delay caused by its own exhaustive acceptance testing of the software. The Department resisted strong pressures from the contractors to go live with the project ahead of when it did, in September 2006. The implications of any serious failure after going live were so profound that the Department would not take that risk until it was fully satisfied with the testing. The Department believes that the technological migration project was the largest software project ever undertaken in Guernsey. The fact that there were 8,500 'development anomalies' which needed to be logged, investigated, addressed and tested should give an indication of the size of the project and the extent of acceptance testing. This is a system that integrates the claims and payments of more than 20 different social security benefits and, via a 'bridge' connects with the contributions records so that entitlements to contributory benefits can be automated as far as possible. The system successfully delivers a solution to complex interactions of benefits and entitlements. The system has operated very successfully since going live eighteen months ago.

In addition to the time delay, the project did cost more than the indicative budgets prepared in 2000. But the Social Security Department minutes, which were released to the Public Accounts Committee in their entirety in an attempt to apply some balance to the draft PricewaterhouseCoopers report, show that the Department members at that time were very aware that this was not a fixed price project. The Public Accounts Committee has chosen to ignore the evidence of the minutes in this respect, even though it was also drawn to the attention of the hearing at which the Department's Chief Officer gave evidence. The Public Accounts Committee also refused a request from the Department that the Committee should take evidence from current and former members of the Social Security Department, who took the key financial decisions on the

technological migration project, particularly the decisions of 19 April and 1 November 2000 and 13 March and 11 April 2002.

The technological migration project did become a fixed price project from 2002 when the then Guernsey Social Security Authority was not prepared to proceed further without cost certainty. The Department is unhappy with the way in which the Public Accounts Committee has summarised the advice received from Deloitte and Touche at this key point in 2002 (see Figure 4 - Timeline of key dates for Project 1). In a report dated 4 February 2002, which was presented to a meeting of the Guernsey Social Security Authority on 6 February 2002, Deloitte and Touche set out the business case for the project confirming, as previously understood, that the business case was based on non-financial grounds. The senior consultant said that if the right contractual terms could be agreed and sufficient safeguards written into the contract, he would advise the Authority to proceed with the project with SchlumbergerSema because of the difficulties associated with bringing in another supplier. The key advice was to negotiate acceptable terms with SchlumbergerSema. A return to the market was only part of a contingency plan to apply should negotiations prove unsuccessful, which they did not. However, at a subsequent meeting of the Social Security Authority, on 13 March 2002, Deloitte and Touche recommended a return to the market. The Deloitte and Touche advice had, therefore, changed fundamentally between those two meetings and it is misleading for the note in the Public Accounts Committee's report to imply, by grouping the two meetings, that the consultants' advice had been the same at both meetings.

It is also true that, to date, the technological migration project remains incomplete, because, although all benefit systems are off the mainframe and now operating on client-server systems, the contribution systems remain on the mainframe, albeit with a bridge supplying contributions data into the benefits programs. It is important to conclude the full migration of the systems, but further progress is now delayed, not only because of the Public Accounts Committee review, but also because the opportunity has arisen for a joint development with the Treasury and Resources Department's income tax systems, which also need to migrate from their current mainframe systems.

The Public Accounts Committee's report refers to a total cost of the project of £9.232m, taking that figure from the PricewaterhouseCoopers report. The figure which appears in the Social Security Department's financial accounts for 2006 is £6.375m. These are the capitalised costs which were audited on a 'true and fair' basis by the then States auditors KPMG. The difference between the two figures results from PricewaterhouseCoopers including the costs of feasibility studies and pilot programmes, licence fees, other software and hardware costs and professional fees. Some of these additional costs have been accounted for within the annual revenue accounts of the Department and others have been capitalised in the accounts under the general computer costs heading.

The Department's audited accounts also show the total capitalised investment in computer equipment and software, including investments preceding the technological migration project. According to the 2006 accounts, the Social Security Department's

total investment in computer equipment and software was £11.54m, with accumulated depreciation of £4.98m, giving a net book value of £6.56m.

The published accounts of the Jersey Social Security Department for 2005, show total computer development and network costs of £14.04m, with £5.26m of disposals and accumulated depreciation, giving a net book value of £8.78m. Comparison of the figures for the two Islands shows that the Guernsey Social Security Department's investment in IT is certainly not unreasonable when viewed against the most obvious comparator.

The technological migration project has been an investment, over a ten year period, in the social security infrastructure. The main driver for the project was the impending obsolescence of mainframe systems. Deloitte and Touche advised the Social Security Authority, in 1998, that *'It is clear that VME based systems have a limited life...and it is sensible for any user to consider how best to move away from them. ... 'do nothing' cannot be an option for the long-term...It is better for the GSSA to plan ahead and move forward in a controlled way now, than to wait until it is forced to act...'*

Although the time-limited technology was the main driver for change, many opportunities have been taken, through the technological migration, to modernise systems and benefit processing. New recruits to social security benefits sections now work with systems that look and feel much more like the systems that they use at home or in education. Training has become much easier and new staff become productive much earlier than before when confronted with mainframe screens the like of which they had never seen before.

The Social Security Department continues to apply close control of its administrative costs, which can be demonstrated by looking at the figures over the 10 year period during which the technological migration project progressed from first concept through to going live. In 1997, the Social Security Department's total administrative expenditure, including staffing, premises, non-capitalised computer costs and all depreciation (which is not accounted for in the general revenue States Departments), was £4.32m. Ten years later, in 2006, total administrative expenditure was £6.16m. This is an increase of 42.6%. This was just 5.2% over the movement in RPI over that 10 year period, which was 37.4%. An increase, on average, of 0.5% per year above RPI is indicative of very well controlled administrative costs, when benefit claim numbers and other business volumes have increased substantially, annual salary increases have been above RPI and the Department has also been coping with the very onerous demands of the technological migration project, to which PricewaterhouseCoopers assign an internal staffing cost of £1.456m.

Successfully migrating all of the benefit systems, which went live in September 2006, was a major achievement and a great credit to the Social Security staff involved in this project. The Department is pleased to note that this is acknowledged in the Public Accounts Committee's report. Anyone who has been at the sharp end of delivering a major public sector software project, in particular a welfare system, would understand the magnitude of the task and recognise what has been achieved. Certainly, social

security officials from other countries, including the UK and Australia, have been very impressed by how much has been achieved and the Guernsey Social Security Department is now used as a reference site.

Yours sincerely

Diane Lewis
Minister

(NB The Policy Council fully supports the recommendations contained in this report.

In so doing the Policy Council recognises that reports such as this tread a fine line between providing an opportunity for constructive learning from mistakes and discouraging any form of learning because of the risk of serious criticism by a body such as the Public Accounts Committee. The Policy Council believes that the accountability process should not encourage a culture where innovation and imaginative thinking by political boards and Civil Servants is curtailed in favour of negativity and always adopting the safe option. While balancing innovation with risk assessment and good practice may be difficult, nevertheless it is essential that an attempt at such a balance should be made. It is recommended that in future, reviews of this nature should be based on this principle.)

(NB The Treasury and Resources Department's comments are set out below.)

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

8th February 2008

Dear Deputy Torode

IMPLEMENTATION OF THE GUERNSEY INTEGRATED SOCIAL SECURITY SYSTEM (GISSS)

The Treasury and Resources Department has recently given very careful consideration to the States Report from the Public Accounts Committee (PAC) and the appended Report from Price Waterhouse Coopers (PWC).

Paragraph 3.15 of the PAC's Report states that *"Relying on Section 100 of the Social Insurance (Guernsey) Law and its mandate, SSD took full responsibility for expenditure on this project"*. The Treasury and Resources Department confirms that was clearly the position but questions whether the States of Deliberation should have allowed that position to arise. Before returning to that theme, there are some detailed comments that need to be made.

Firstly, the Treasury and Resources Department is very concerned and disappointed with the outcome of this project (to date) and the damage it will inevitably cause to public confidence in the ability of government departments to deliver these projects on

time and on budget. While my Department recognises that replacing IT systems can be a complicated, time consuming and costly process (as experienced in other jurisdictions), there were warning signs, as evidenced in the PWC report, that the project was running into significant difficulties.

Certain aspects of the management of this project are also of concern including the decision not to seek tenders which may have contributed to the eventual overspend on the original budgeted costs. Also of significance is that only the first part of the project has, to date, been completed (the Benefits element) and that additional expenditure will be incurred in developing the Contributions element of the system. As a consequence of this phased approach, the Social Security Department (SSD) is having to meet increased operating costs which are estimated to have risen from the anticipated £109,000 per annum (at 2000 prices) to almost £900,000 per annum.

An Internal Audit report was prepared in 2006 by PWC under contract with the Treasury and Resources Department (all IT Internal Audit work is outsourced due to its specialist nature). That report was, as is normal practice, prepared for consideration by the Department being audited (SSD) and not the Treasury and Resources Department although it was made available to the PAC in accordance with normal practice. As such, the Board of the Treasury and Resources Department did not consider the 2006 Internal Audit Report. The scope of that report was however limited and focused upon IT controls, their design and testing and although the GISSS project was commented upon, the Internal Audit report did not quantify the extent of the difficulties or analyse the full cost implications against budget. It is accepted though that even if the 2006 Internal Audit report had identified all of the problems, issues and costs with the project, by that time it would have already been too late to retrieve the situation.

Since the formation of the Treasury and Resources Department in 2004, there has been no approach from the Social Security Department at political level at any time for advice or assistance. Furthermore, while it is accepted that under the current 'rules' the SSD clearly did not have to seek States approval for what amounts to a major capital project, it perhaps should have done so. **Of equal if not more importance, SSD also chose not to inform States Members at any time of the difficulties that were being faced and the escalating costs.** There is, of course, no current requirement for the SSD to do this but adopting a more corporate approach would have been an appropriate response and is surely now a prerequisite for all Departments irrespective of the legislation and mandates under which they work.

It is the view of the Treasury and Resources Department that amongst the various problems that have been identified in the report, one of the most fundamental issues is the level of autonomy that the States have given to the SSD. This is inconsistent with the principles of accountability and transparency and has enabled the Social Security Department to (amongst other matters) procure a multi-million pound capital project without reference to or approval by the States and to do so without necessarily having regard to the corporate advice and guidelines that are available. In my Department's view that position must now be addressed so that the use of all public monies, and not

just those received from taxation sources, is subjected to proper and effective scrutiny at the highest level.

The Treasury and Resources Department unanimously supports the recommendations in the States Report.

Yours sincerely

L S Trott
Minister

The States are asked to decide:-

XIX.- Whether, after consideration of the Report dated 4th February, 2008, of the Public Accounts Committee, they are of the opinion:-

1. To note the Report.
2. To direct the Treasury and Resources Department to consider and, where appropriate, implement the recommendations as outlined in the appended report from PricewaterhouseCoopers and to report back to the States once completed, and to direct the Public Accounts Committee to monitor the action taken to implement them.
3. To direct the Policy Council and Treasury and Resources Department, in consultation with Social Security Department, to consider and report back to the States on the appropriateness of the devolved financial responsibility of the Social Security Department under Section 100 of the Social Insurance (Guernsey) Law, 1978, in particular in relation to States approval and prioritisation of capital projects.

STATUTORY INSTRUMENTS LAID BEFORE THE STATES**THE BANKING SUPERVISION (BAILIWICK OF GUERNSEY)
(AMENDMENT) REGULATIONS, 2008**

In pursuance of section 3 of the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Banking Supervision (Bailiwick of Guernsey) (Amendment) Regulations, 2008, made by the Policy Council on 21st January, 2008, are laid before the States.

EXPLANATORY NOTE

These Regulations amend the minimum criteria for licensing in respect of an institution or directors, controllers and managers in an institution licensed or which will be licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994.

**THE INSURANCE BUSINESS (BAILIWICK OF GUERNSEY)
(AMENDMENT) REGULATIONS, 2008**

In pursuance of section 86 of the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Insurance Business (Bailiwick of Guernsey) (Amendment) Regulations, 2008, made by the made by the Policy Council on 21st January, 2008, are laid before the States.

EXPLANATORY NOTE

These Regulations amend the minimum criteria for licensing in respect of applicants or licensees or of partners, directors, controllers, managers or general representatives of an applicant or licensee licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002.

**THE INSURANCE MANAGERS AND INSURANCE INTERMEDIARIES
(BAILIWICK OF GUERNSEY) (AMENDMENT) REGULATIONS, 2008**

In pursuance of section 63 of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) (Amendment) Regulations, 2008, made by the Policy Council on 21st January, 2008, are laid before the States.

EXPLANATORY NOTE

These Regulations amend the minimum criteria for licensing in respect of applicants or licensees or of partners, directors, controllers, managers or authorised insurance representatives of an applicant or licensee licensed under the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002.

THE BOARDING PERMIT FEES ORDER 2008

In pursuance of Section 17 (3) of the Tourist Guernsey (Law), 1948, as amended, the Boarding Permit Fees Order, 2008, made by the Commerce and Employment Department on 15th January, 2008, is laid before the States.

EXPLANATORY NOTE

This Order prescribes the fees payable by a holder of a boarding permit from 1 April, 2008 and replaces the Boarding Permit Fees Order, 2006.

THE HEALTH SERVICE (PAYMENT OF AUTHORISED APPLIANCE SUPPLIERS) (AMENDMENT) REGULATIONS, 2008

In pursuance of sections 19 and 35 of the Health Service (Benefit) (Guernsey) Law, 1990, as amended, the Health Service (Payment of Authorised Appliance Suppliers) (Amendment) Regulations, 2008, made by the Social Security Department on 23rd January, 2008, are laid before the States.

EXPLANATORY NOTE

These Regulations amend the First Schedule to the Health Service (Payment of Authorised Appliance Suppliers) Regulations, 2003.

THE LAND PLANNING AND DEVELOPMENT (APPEALS) REGULATIONS, 2008

In pursuance of Sections 17 and 89 of the Land Planning and Development (Guernsey) Law, 2005, and of the Land Planning and Development (Appeals) Ordinance, 2007, the Land Planning and Development (Appeals) Regulations, 2008, made by the Environment Department on 30th January, 2008, are laid before the States.

EXPLANATORY NOTE

These Regulations make provision in relation to appeals –

- (a) against planning decisions and the failure to take such decisions,
- (b) against compliance (made in relation to breaches of planning control) and completion notices (made in respect of development which the Environment Department considers is not being completed within a reasonable time),
- (c) made in respect of inserted or amended entries on the protected monuments list or the protected buildings list,
- (d) against preservation notices (made where urgent works are required to protected buildings or monuments),
- (e) against the confirmation of tree protection orders, and

- (f) in respect of certain decisions and notices under building regulations.

They provide for the procedure for the determination of appeals by the relevant Appellate Body, the powers of that body in relation to the summoning of witnesses and in relation to the making of orders as to costs. The relevant Appellate Body for appeals falling within paragraphs (a) to (e) is the Planning Tribunal and in respect of the building regulations, an Adjudicator.

There is further provision in Schedules 2 and 3 in relation to the summoning of witnesses to appear at hearings to give testimony or to produce documents and in relation to the maximum amounts of costs which may be awarded by the Appellate Body.

They also make provision in relation to the refusal by the Appellate Body to hear appeals or to proceed with their determination, the basis on which appeals under section 68 (appeals against planning decisions or the failure to take such decisions) of the Land Planning and Development (Guernsey) Law, 2005 are to be determined and the publicity for Environmental Impact Assessment where this is required to be carried out at the appeal stage pursuant to the Land Planning and Development (Environmental Impact Assessment) Ordinance, 2007.

THE LAND PLANNING AND DEVELOPMENT (PLANS INQUIRY) REGULATIONS, 2008

In pursuance of Section 12(3) and 89 of the Land Planning and Development (Guernsey) Law, 2005, the Land Planning and Development (Plans Inquiry) Regulations, 2008, made by the Environment Department on 30th January, 2008, are laid before the States.

EXPLANATORY NOTE

These Regulations prescribe the procedure to be followed for an inquiry to be conducted by an inspector into the provisions of a fresh or replacement Development Plan, Subject Plan, Local Planning Brief or for amendments thereto ("the proposals") prepared by the Environment Department pursuant to the Land Planning and Development (Guernsey) Law, 2005 and the Land Planning and Development (Plans) Ordinance, 2007.

They make provision for the appointment and functions of the Inquiry Administration who assist the inspector with the administration of the inquiry, the making of representations in relation to the proposals and any Environmental Statement prepared in relation to policies in the proposals and the inspector's consideration of them. They make provision in relation to the inspector's powers to inspect land where an inquiry hearing is to be held and the circumstances in which no public hearing into the proposals need be held. They also provide for the procedure where a public hearing is to be held and on a reference back to the inspector where the States have proposed amendments to the proposals.

POLICY COUNCIL

REPORT ON INTERNATIONAL CONVENTIONS AND AGREEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2007 *(in accordance with Resolution VIII (2) of Billet d'État IV 1987)*

CONVENTIONS RELATING TO CRIMINAL ACTIVITY

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

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

Consultation: H. M. Procureur
Financial Services Commission

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

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

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

Consultation: H. M. Procureur

Action: The matter remains under consideration.

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

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

offences at both the domestic and international level.

Consultation: H. M. Procureur

Action: The matter is still under consideration.

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

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

Consultation: H. M. Procureur

Action: The matter remains under consideration.

5. **Optional Protocol to the United Nations Convention on Torture**

Object: To prevent torture and inhuman treatment through visits by national and international independent monitoring committees to places of detention in signatory states.

Consultation: H. M. Procureur
Health and Social Services Department
Home Department

Action: In 1987 the States resolved that where international agreements involved questions of human rights and fundamental freedoms the terms of such agreements should be laid before the States. In pursuance of that resolution a report will be made to the States regarding this Protocol.

6. **Draft Treaty between the United Kingdom and the Republic of Brazil on Mutual Legal Assistance in Criminal Matters**

Object: To provide for mutual legal assistance in criminal matters without regard to whether the conduct that is the subject of investigation, prosecution or proceeding would be punishable under the legislation of both parties, except for search, seizure, restraint and confiscation.

Consultation: H. M. Procureur

Action: The matter remains under consideration.

7. **Council of Europe Convention on the Transfer of Sentenced Persons**

Object: To provide that foreigners who are deprived of their liberty as a result of their commission of a criminal offence should be given the opportunity to serve their sentences within their own society.

Consultation: H. M. Procureur
Home Department

Action: The matter remains under consideration.

8. **Protocol amending the Council of Europe Convention on the Suppression of Terrorism**

Object: To remove the 'political exception' rule and to extend the list of offences to be depoliticised to cover all the offences described in the relevant United Nations ant-terrorist Conventions and Protocols up to and including the 1999 International Convention for the Suppression of the Financing of Terrorism; to update the provisions on accessory crimes taking into account the latest practice in United Nations anti-terrorist conventions.

Consultation: H. M. Procureur

Action: Agreed in principle that this Protocol be extended to Guernsey.

CONVENTIONS RELATING TO EXTRADITION AND NATIONALITY

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

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

Consultation: H. M. Procureur

Action: Consideration of this Treaty remains in abeyance pending the enactment of domestic legislation relating to extradition matters.

10. **Agreement between the United Kingdom and Romania on the Return and Readmission of Persons Present without Authorization**

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

Consultation: H. M. Procureur
Home Department

Action: Convention to be extended to Guernsey.

CONVENTIONS RELATING TO THE ENVIRONMENT

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

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

Consultation: H. M. Procureur
Commerce and Employment Department
Health and Social Services Department
Public Services Department

Action: The issues involved are linked to the control of environmental pollution and the implementation of the Waste Strategy Assessment. The Environmental Pollution (Guernsey) Law, 2004 was registered in the Royal Court on 4th October, 2004 but the relevant parts relating to water pollution have not yet entered into force. A decision regarding the extension of the Convention to Guernsey will be made once those parts of the Law have commenced.

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

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

Consultation: H. M. Procureur
Commerce and Employment Department
Environment Department

Action: Whilst progress continues to be made in achieving the criteria set by the Convention Guernsey is not yet in a position to request that the Convention be applied to the Island.

13. **Cartagena Protocol on Biosafety to the Convention on Biological Diversity**

Object: The Protocol's overall objective is to contribute to ensuring an adequate level of protection in the field of the safe transfer, handling and use of living modified organisms (LMOs) resulting from modern biotechnology that may have adverse effects on the conservation and sustainable use of biological diversity, taking also into account risks to human health, and specifically focussing on transboundary movements. (The term genetically modified organism (GMO) is more commonly used in the EC than the term LMO, but the two terms mean the same.)

Consultation: H. M. Procureur
H. M. Government
Commerce and Employment Department
Environment Department

Action: The issues involved are closely related to those under consideration in relation to the Convention on Biological Diversity (See No 12) and will be examined when a decision is reached with regard to that Convention.

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

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

Consultation: H. M. Government

Alderney and Sark
H. M. Procureur
Public Services Department

Action: Certain sections of the Merchant Shipping (Bailiwick of Guernsey) Law, 2002 (registered in the Royal Court on 10th May, 2004) have been brought into force. Consideration will now be given as to whether this Convention should be extended to Guernsey.

15. **Stockholm Convention on Persistent Organic Pollutants (POPs)**

Object: To protect human health and the environment from persistent organic pollutants by prohibiting or limiting their production and export; by taking measures to reduce or eliminate releases from unintentional production and by taking measures to reduce or eliminate releases from stockpiles or wastes

Consultation: H. M. Procureur
Commerce and Employment Department
Health and Social Services Department
Home Department

Action: The matter remains under consideration.

16. **Council of Europe European Landscape Convention**

Object: To recognise landscapes in law and to establish and implement landscape policies aimed at landscape protection, management and 'landscape planning' (i.e. active design) through the adoption of specific measures; to establish procedures for public participation in defining and implementing landscape policies and integrate landscape into regional and town planning policies and to cooperate on the landscape dimension of international policies.

Consultation: H. M. Procureur
Environment Department

Action: The matter is still under consideration.

17. **Supplementary Fund Protocol to the Convention on the establishment of an International Fund for Compensation for Oil Pollution Damage, 1992**

Object: To provide for the payment of compensation to any person suffering pollution damage if such person has been unable to obtain full and adequate compensation for an established claim under the terms of the 1992 Fund Convention.

Consultation: H. M. Procureur
Public Services Department

Action: The matter remains under consideration.

CONVENTIONS RELATING TO TRADE AND COMMERCE, ETC

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

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

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

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

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

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

To reduce non-tariff barriers.

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

To provide for a free global textile trade.

To bring agriculture fully within the GATT for the first time.

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

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

Anti-dumping rules will be strengthened and clarified.

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

b. General Agreement on Trade in Services.

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

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

To guarantee existing levels of access in many areas.

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

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

Consultation: H. M. Government
H. M. Procureur
Commerce and Employment Department

Action: The matter remains under consideration

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

Object: To promote the broadest possible harmonisation of the Law of the Member States, and the other States party to the European Cultural Convention, on copyright and neighbouring rights with

regard to new technical developments in the field of broadcasting by satellite notably the need to safeguard the rights and interests of authors and other contributors when protected works and other contributions are broadcast by satellite. To consider further legal aspects of broadcasting by satellite from the viewpoint of copyright law and neighbouring rights.

Consultation: H. M. Procureur
Commerce and Employment Department
Home Department

Action: Following the enactment of new intellectual property rights legislation consideration will now be given to the possible extension of this Agreement to Guernsey.

20. **Treaty concerning a European Vehicle and Driving Licence Information System (EUCARIS)**

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

Consultation: H. M. Procureur
Environment Department
Home Department

Action: Treaty not to be extended to Guernsey.

21. **Partnership and Co-operation Agreement between the European Communities and their Member States and the Republic of Tajikistan**

Object: To consolidate and strengthen the European Union's political, economic and trade relations with Tajikistan and to promote democratic reforms, economic growth, sustainable development and action against poverty; to make provision for action against terrorism and the proliferation of weapons of mass destruction.

Consultation: H. M. Procureur

Action: Agreed that this Agreement be extended to Guernsey to the extent that it applies within the terms established by Protocol 3 to the United Kingdom's Act of Accession to the Treaty of Rome.

22. **Proposal by the United Kingdom to negotiate an agreement with the United States of America for air services between the U.S.A. and the Overseas Territories (and, if desired, the (Crown Dependencies))**

Object: To provide a legal framework for international air services and to make provision for commitments on fair competition, safety, security other matters; to provide a basis for Crown Dependencies' airlines to offer services to the U.S.A. (for example on a code-share basis).

Consultation: H. M. Procureur
Commerce and Employment Department
Public Services Department

Action: The matter remains under consideration.

23. **Multilateral Investment Guarantee Agency Convention 1988**

Object: To encourage and facilitate foreign direct investment into developing countries and to address the risk of investment in such countries by providing (a) political risk insurance for foreign investment in developing countries, (b) technical assistance to improve investment climates and promote investment opportunities in developing countries and (c) dispute mediation services to remove possible obstacles to future investment.

Consultation: H. M. Procureur
Commerce and Employment Department

Action: The matter remains under consideration.

CONVENTIONS RELATING TO SOCIAL POLICY AND SERVICES

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

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

Consultation: H. M. Procureur

Action: The matter remains under consideration.

25. **Draft Agreement on the Working Arrangements between the United Kingdom and the Republic of Vietnam relating to Intercountry Adoptions**

Object: To establish safeguards to ensure that intercountry adoptions between the parties only take place in the best interests of the child and with respect to his international rights as recognised in international law; to establish a system of co-operation between the parties to ensure that those safeguards are respected and thereby prevent the abduction, the sale of, or traffic in children.

Consultation: H. M. Procureur
Health and Social Services Department

Action: The matter remains under consideration.

26. **European Convention on the Adoption of Children - DENUNCIATION**

Object: The United Kingdom is denouncing the Convention as it considers it to be incompatible with the Adoption and Children Act which allows unmarried couples to adopt jointly.

Consultation: H. M. Procureur
Health and Social Services Department

Action: The matter remains under consideration.

27. **Council of Europe Convention on Adoption**

Object: To provide common principles and practices with respect to the adoption of children so as to reduce the difficulties caused by the differences in national laws and to promote the interests of children who are adopted.

Consultation: H. M. Procureur
Health and Social Services Department

Action: The matter remains under consideration.

REPORTS SUBMITTED BY GUERNSEY

In April 2007 the Bailiwick submitted a report for inclusion in the United Kingdom's 17th periodic report relating to the United Nations International Covenant on Economic, social and Cultural Rights.

The Bailiwick also submitted reports for inclusion in the United Kingdom's periodic reports relating to three conventions under the International Labour Organization. Those Conventions are –

- The Minimum Age (Industry) Convention 1919 (No 5)
- The Worst Forms of Child Labour Convention 1999 (No 182)
- The Migration for Employment Convention (Revised) 1949 (No 97).

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

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

The reports are also available on the States of Guernsey website:

www.gov.gg/ccm/navigation/government/human-rights/other-conventions-covenants/

Guernsey Retail Prices Index⁵⁶²

Quarter 4 - 31 December 2007



POLICY COUNCIL
THE STATES OF GUERNSEY

Issue Date - 23 January 2008

Introduction

The Guernsey Retail Prices Index (GRPI) is the measure of inflation used in Guernsey. It measures the change in the prices of goods and services bought for the purpose of consumption or use by households in Guernsey. It is published quarterly by the States of Guernsey Policy and Research Unit. The calculation of the GRPI is based on the price change of items within a 'shopping basket'. Whilst some prices rise over time, others will fall or fluctuate and the Index represents the average change in these prices. More detailed information on the RPI and its calculation can be found at the end of this handout.

Headlines

- At the end of December 2007 Guernsey's annual rate of inflation was **4.9%**. This is the same as the figure at the end of September 2007. The equivalent figures for the UK and Jersey were 4.0% and 4.5% respectively.
- Guernsey's RPIX (inflation excluding mortgage interest payments) is 1% higher than last quarter at **3.9%**.
- The **Housing** group, which has the largest weight within the Index, contributed **1.9%** of the overall increase, which is 1% less than last quarter.
- The Index increased to **136.4** (1999 base).

Overview

The Guernsey RPI increased by 4.9% for the twelve month period ending 31st December 2007. This is the same as in September 2007. The increase over the three months ending 31st December 2007 was 1.1%, compared to 0.6% last quarter.

The Housing group continued to be the largest contributor to the annual change (1.9% out of 4.9%). However, it only contributed 0.2% to the quarterly increase. Bank of England interest rate was reduced during the quarter, lowering the cost of servicing a mortgage. This went some way towards offsetting increases in other areas of the Housing group.

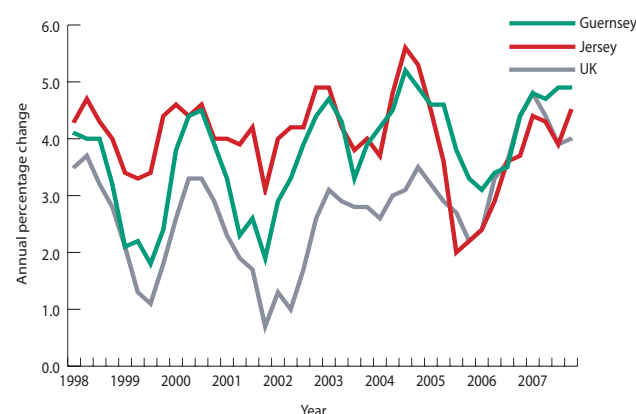
Increases in the price of milk, other dairy products and eggs resulted in the Food Group contributing 0.5% to the quarterly increase (1.1%) due to their relatively high weighting. The annual change in the Food Group was 0.8%.

The next highest contributors were Alcohol at 0.5%, followed by Fuel, Light and Power and Household and Personal Goods at 0.3%.

Table 1: Annual Rates of Inflation

Year	March	June	September	December
2002	2.9	3.3	3.9	4.4
2003	4.7	4.3	3.3	3.9
2004	4.2	4.5	5.2	4.9
2005	4.6	4.6	3.8	3.3
2006	3.1	3.4	3.5	4.4
2007	4.8	4.7	4.9	4.9

Figure 1: Annual Rates of Inflation



*APPENDIX III***PUBLIC SECTOR REMUNERATION COMMITTEE****STATES OF GUERNSEY PUBLIC SERVANTS' PENSION SCHEME:
2008 PENSIONS INCREASE**

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

28th January 2008

Dear Sir

In accordance with the States of Guernsey (Public Servants) (Pensions and other Benefits) (Amendment No. 2) Rules, 1997, approved by the States on the 29th October, 1997 (Article X of Billet d'Etat No. XIX of 1997), I would advise you that the Public Sector Remuneration Committee, after consultation within the Pensions Consultative Committee, has resolved that pensions in payment and preserved pensions and other benefits not yet in payment be increased with effect from 1 January 2008 as follows:

- | | |
|--|--|
| (a) awarded prior to 1 January 2007 | by 4.7% |
| (b) awarded in the period from 1 January 2007
to 31 December 2007 | by 1/365th of 4.7% for each
day of entitlement |

(i.e. in line with the change in the Retail Price Index for the twelve months ending on 30 June 2007).

In accordance with the above mentioned Rules, I should be grateful if you would arrange for this letter to be published as an Appendix to a Billet d'Etat.

Yours faithfully

J P Le Tocq
Chairman

*APPENDIX IV***HOUSE COMMITTEE****ELECTION OF A CHIEF MINISTER**

The Presiding Officer
The States of Guernsey
Royal Court House
St. Peter Port

25th January 2008

Dear Sir

Rule 20 (3) of the Rules of Procedure of the States of Deliberation provides that on a proposition to elect a Chief Minister nominations shall not be accepted unless they have been notified in writing to the Presiding Officer, during such period prior to the election meeting as shall be determined and published by the House Committee.

The Rule goes on to state that any such notification between the date of a General Election of People's Deputies and the 1st May next following may only be given by a person elected (or re-elected) in that General Election or by one of the Alderney Representatives in the States of Deliberation. The Presiding Officer is required to post each such notification received in the Royal Court House, as soon as possible after its receipt.

Pursuant to this Rule, the House Committee has determined that nominations for the office of Chief Minister in respect of the election to be held on the 1st May 2008 should be accepted by yourself from 9.00 a.m. on Thursday, 24th April 2008 until 4.00 p.m. on Tuesday, 29th April 2008.

I should be grateful if you would agree to publish this letter as an appendix to the March Billet d'État.

Yours faithfully

B M Flouquet
Chairman

*APPENDIX V***HOUSE COMMITTEE****RECORD OF MEMBERS' ATTENDANCE AT MEETINGS OF
THE POLICY COUNCIL, DEPARTMENTS AND COMMITTEES
AND IN THE STATES OF DELIBERATION**

The Presiding Officer
The States of Guernsey
Royal Court House
St Peter Port

25th January 2008

Dear Sir

On 28 January 2004 the States resolved, inter alia:

“That Departments and Committees shall maintain a record of their States Members’ attendance at, and absence from, meetings, including sub-committee meetings and the reasons for absence given shall also be recorded.

That the records of States Members’ attendance at, absence from and reasons for absence from meetings, shall be made available to the House Committee to monitor and to take such action as it sees fit within its powers and the records shall also be available for inspection by the public.”

This report deviates from the States resolution in that the House Committee has deemed it appropriate to accede to a request from the Policy Council that statistics relating to attendance in the States of Deliberation have also been included.

The House Committee would be grateful if you would arrange for this report, in respect of statistics provided by H. M. Greffier, Departments and Committees for the 12 months ended 31 October 2007, to be published as an appendix to a Billet d’État.

Yours faithfully

B M Flouquet
Chairman

PART I - REPORT BY DEPARTMENT/COMMITTEE

NAME OF MEMBER	TOTAL NUMBER OF MEETINGS	MEMBER PRESENT		MEMBER ABSENT			
		Whole Meeting	Part of Meeting	Indisposed	States business	Personal business/ holiday	Other
POLICY COUNCIL							
L. C. Morgan	11	10				1	
B. M. Flouquet	11	10	1				
S. J. Falla, MBE	29	26	1			2	
P. R. Sirett	29	25				4	
M. A. Ozanne	29	22	1		3	3	
P. J. Roffey	29	25	1			3	
M. W. Torode	29	26			1	2	
D. B. Jones	29	26			1	2	
W. M. Bell	29	26		2		1	
M. M. Lowe	11	11					
L. S. Trott	29	24	3		1	1	
D de G De Lisle	18	17	1				
D. E. Lewis	18	8		10			
G. H. Mahy	18	16			1	1	
Alternate Members:							
A. H. Adam	1	1					
M. H. Dorey	2	2					
D. A. Grut	2	2					
T. M. Le Pelley	2	2					
B. M. Flouquet	1	1					
C. McNulty Bauer	2	2					
W. Morgan	1	1					
J. Honeybill	1	1					
D. P. Le Cheminant	8	7	1				
C. H. Le Pelley	1	1					
J. P. Le Tocq	2	2					
F. Quinn	2	2					

COMMERCE AND EMPLOYMENT DEPARTMENT							
S. J. Falla, MBE	25	15	7			3	
C. S. McNulty Bauer	25	25					
L. R. Gallienne	25	18	2		4		1
M. G. O'Hara	25	20		2	1	1	1
D. W. Staples	25	22				2	1

CULTURE AND LEISURE DEPARTMENT							
P. R. Sirett	11	9				2	
C. H. Le Pelley	11	11					
M. G. O'Hara	11	10			1		
J. Honeybill	11	9				1	*1 - meeting date changed and clashed with pre- booked holiday
C. S. McNulty Bauer	11	9			1	1	

NAME OF MEMBER	TOTAL NUMBER OF MEETINGS	MEMBER PRESENT		MEMBER ABSENT			
		Whole Meeting	Part of Meeting	Indisposed	States business	Personal business/ holiday	Other
EDUCATION DEPARTMENT							
M. A. Ozanne	23	18	1	2		1	1 – medical appointment
W. J. Morgan	23	19			1	2	1 – medical appointment
D. A. Grut	23	19	3			1	
A. H. Adam	23	21	1		1		
D. P. Le Cheminant	23	22				1	

ENVIRONMENT DEPARTMENT							
B. M. Flouquet	7	7					
I. F. Rihoy	30	23	1	2		4	
C. D. Brock	30	25	1			4	
J. M. Le Sauvage	30	30					
D. de G. De Lisle	30	30					
M. M. Lowe	23	21				2	

HEALTH AND SOCIAL SERVICES DEPARTMENT							
P. J. Roffey	22	20				2	
D. A. Grut	22	21				1	
A. H. Adam	22	20	1			1	
B. L. Brehaut	22	19				1	1 - bereavement 1 - delayed in Jersey
D. E. Lewis	22	13		9			

HOME DEPARTMENT							
M. W. Torode	6	6					
F. W. Quin	22	21				1	
G. Guille	6	6					
S. J. Maindonald	22	16	4		1	1	
G. H. Mahy	22	22					
L. R. Gallienne	14	9			3	2	
J. M. Tasker	16	15				1	

HOUSING DEPARTMENT							
D. B. Jones	24	22	1			1	
M. H. Dorey	24	24					
L. R. Gallienne	14	13			1		
B. L. Brehaut	24	22	1				1 – family bereavement
J. A. B. Gollop	24	24					
R. Matthews	10	9				1	

NAME OF MEMBER	TOTAL NUMBER OF MEETINGS	MEMBER PRESENT		MEMBER ABSENT			
		Whole Meeting	Part of Meeting	Indisposed	States business	Personal business/ holiday	Other
PUBLIC SERVICES DEPARTMENT							
W. M. Bell	29	27	1 - Left to attend medical appointm ent				1 - unknown
A. H. Brouard	29	27				2	
R. J. Le Moignan	29	26				2	1 - unknown
T. M. Le Pelley	29	27				2	
S. J. Ogier	29	25	1			1	1 – unknown 1- family illness
M. W. Torode	1	1					

SOCIAL SECURITY DEPARTMENT							
M. M. Lowe	9	9					
D. P. Le Cheminant	28	24	1	2		1	
G. H. Mahy	9	8			1		
D. E. Lewis	28	16		12			
S. J. Ogier	28	26		1	1		
B. M. Flouquet	19	16	1	2			
Dorey, M H	19	18	1				

TREASURY AND RESOURCES DEPARTMENT							
L. S. Trott	47	46				1	
C. N. K. Parkinson	21	18				3	
J. P. Le Tocq	47	40				7	
M. H. Dorey	47	43			1	3	
J. Honeybill	47	44	1			2	
G. Guille	26	25			1		

NAME OF MEMBER	TOTAL NUMBER OF MEETINGS	MEMBER PRESENT		MEMBER ABSENT			
		Whole Meeting	Part of Meeting	Indisposed	States business	Personal business/ holiday	Other
HOUSE COMMITTEE							
D. P. Le Cheminant	6	5		1			
C. H. Le Pelley	11	9			1		1 – not notified of meeting change
G. Guille	6	5		1			
E. W. Walters	11	2	2	6			1 - unknown
R. R. Matthews	11	11					
B. M. Flouquet	5	5					
J. A. B. Gollop	5	4	1				

INHERITANCE LAW REVIEW COMMITTEE							
J. A. Pritchard	2	2					
C. H. Le Pelley	2	2					
P. R. Sirett	2	2					

LEGISLATION SELECT COMMITTEE							
C. H. Le Pelley	13	12				1	
P. R. Sirett	13	11				2	
J. A. B. Gollop	13	13					
T. M. Le Pelley	13	12				1	
A. H. Brouard	13	11				2	

PUBLIC ACCOUNTS COMMITTEE							
L. R. Gallienne	25	22	1		1	1	
C. D. Brock	25	22				3	
B. J. Gabriel	25	20	2			2	1
S. J. Ogier	25	20	5				
J. M. Tasker	25	21	2			2	

PUBLIC SECTOR REMUNERATION COMMITTEE							
J. P. Le Tocq	13	12			1		
A. H. Adam	13	11	1		1		
G. H. Mahy	3	3					
J. Honeybill	13	11			1	1	
B. L. Brehaut	13	12	1				
S. J. Maindonald	9	5	2	1		1	

NAME OF MEMBER	TOTAL NUMBER OF MEETINGS	MEMBER PRESENT		MEMBER ABSENT			
		Whole Meeting	Part of Meeting	Indisposed	States business	Personal business/ holiday	Other
SCRUTINY COMMITTEE							
J. A. Pritchard	21	16	3	1		1	
S. J. Maindonald	21	14	2	3		2	
B. R. de Jersey	21	18	1			2	
R. H. F. Cox	6	6					
J. A. B. Gollop	21	20		1			
E. W. Walters	10	4	1			5	
R. J. Le Moignan	8	4	1			3	
D. W. Staples	21	16	2	1		2	
D. E. Lewis	7	7					
A. H. Adam	14	9	1	1	1	2	
B. L. Brehaut	14	10	1		1	2	
C. N. K. Parkinson	13	8	2	2		1	
Alderney Rep W Walden	11	8			3		

PAROCHIAL ECCLESIASTICAL RATES REVIEW COMMITTEE							
B. R. de Jersey	12	12					
J. A. B. Gollop	12	12					
G. Guille	7	7					
T. M. Le Pelley	12	10				2	
D. E. Lewis	12	9	1	2			
B. M. Flouquet	5	3				2	

PART II - REPORT BY SUB-COMMITTEES

NAME OF MEMBER	TOTAL NUMBER OF MEETINGS	MEMBER PRESENT		MEMBER ABSENT			
		Whole Meeting	Part of Meeting	Indisposed	States business	Personal business/holi day	Other
POLICY COUNCIL – Strategic Population Review Group							
M. M. Lowe	3	3					
S. J. Falla, MBE	4	2	1				1 - unknown
D. B. Jones	4	3					1 - unknown
M. W. Torode	4	4					
R. J. Le Moignan	4	2			1		1 - unknown
J. M. Tasker	4	4					
D. E. Lewis	1	1					
G.H. Mahy	1		1				

POLICY COUNCIL – Demographics Policy Group (replaced Strategic Population Review Group)							
D. E. Lewis	3	1				2	
C. S. McNulty Bauer	3	2	1				
M. H. Dorey	3	3					
D. A. Grut	3	3					
W. J. Morgan	3		1			1	1 - unknown
F. Quinn	3	3					
S. J. Falla, MBE	2	1					1 - unknown

POLICY COUNCIL – Social Policy Steering Group							
P. J. Roffey	7	6		1			
D. B. Jones	4	2				1	1 – unknown
M. M. Lowe	2	2					
M. A. Ozanne	4		1			2	1 - unknown
M. W. Torode	2	1	1				
W. J. Morgan	7	3	1		1	1	1 – unknown
B. L. Brehaut	7	6		1			
J. P. Le Tocq	5	2					3 - unknown
G. H. Mahy	2	2					
D. E. Lewis	2	2					
C. S. McNulty Bauer	3	3					
D. P. Le Cheminant	3	2	1				
J. M. Tasker	3	3					

POLICY COUNCIL – Strategic Land Planning Group							
L. S. Trott	4	4					
B. M. Flouquet	3	3					
D. B. Jones	10	7	1	2			
W. M. Bell	10	8		1	1		
P. R. Sirett	10	9					1 - unknown
C. D. Brock	10	8		1		1	
C. S. McNulty Bauer	10	7		1			2 - unknown
D. de G. De Lisle	7	7					
J. Honeybill	6	5		1			

NAME OF MEMBER	TOTAL NUMBER OF MEETINGS	MEMBER PRESENT		MEMBER ABSENT			
		Whole Meeting	Part of Meeting	Indisposed	States business	Personal business/ holiday	Other
POLICY COUNCIL – Fiscal and Economic Policy Steering Group							
L. C. Morgan	5	5					
B. M. Flouquet	5	5					
L. S. Trott	24	23			1		
S. J. Falla, MBE	24	21		2		1	
M. W. Torode	19	16			1	2	
W. M. Bell	18	14	1			3	
P. J. Roffey	18	14				4	

POLICY COUNCIL – Energy Policy Steering Group							
B. M. Flouquet	12	12					
C. N. K. Parkinson	12	9	1				2 - unknown
G. Guille	11	10					1 - unknown
M. G. O'Hara	12	10		1			1 - unknown
S. J. Ogier	12	8	1				3 - unknown

POLICY COUNCIL – External Relations Group							
L. C. Morgan	2	2					
B. M. Flouquet.	2	2					
P. R. Sirett	4	4					
S. J. Falla MBE	6	6					
D. B. Jones	6	6					
L. S. Trott	6	2	2	1*	1*		* meetings rearranged and could not make new date/time
M. W. Torode	4	4					

POLICY COUNCIL – Legal Aid Steering-Group							
W. M. Bell	0						
C. N. K. Parkinson	0						
P. R. Sirett (Co-opted)	0						

POLICY COUNCIL – Staff Steering Group							
S. J. Falla MBE	8	6	1			1	
M. M. Lowe	4	4					
B. M. Flouquet	4	4					
M. W. Torode	4	4					
D. E Lewis	4	2		2			
L. S. Trott	4	4					
M. A. Ozanne	1	1					

POLICY COUNCIL – Government Business Plan Project Team							
S. J. Falla MBE	16	15	1				
J. A. Pritchard	16	11		2			3 - unknown
J. P. Le Tocq	16	8	4	1			3 - unknown
G. H. Mahy	16	15		1			

NAME OF MEMBER	TOTAL NUMBER OF MEETINGS	MEMBER PRESENT		MEMBER ABSENT			
		Whole Meeting	Part of Meeting	Indisposed	States business	Personal business/h oliday	Other
COMMERCE AND EMPLOYMENT DEPARTMENT and TREASURY AND RESOURCES DEPARTMENT– Construction Sector Group (Formerly Construction Industry Joint Steering Group)							
B. M. Flouquet	1	1					
C. S. McNulty Bauer	2	2					
L. S. Trott	1	1					
M. G. O’Hara	2	2					
J. P. Le Tocq	2	1					1 – unknown
J. Honeybill	1	1					

COMMERCE AND EMPLOYMENT DEPARTMENT – Resources Group							
L. R. Gallienne	0						
D. W. Staples	0						

COMMERCE AND EMPLOYMENT DEPARTMENT – Dairy Management Board							
D. W. Staples	12	11					1 – unknown
C. S. McNulty Bauer	12	12					

COMMERCE AND EMPLOYMENT DEPARTMENT – Business Guernsey Group							
C. S. McNulty Bauer	9	9					
M. G. O'Hara	9	7		2			

COMMERCE AND EMPLOYMENT DEPARTMENT and PUBLIC SERVICES DEPARTMENT – External Transport Group							
S. J. Falla MBE	1	1					
W. M. Bell	1	1					
C. S. McNulty Bauer	1	1					
T. M. Le Pelley	1	1					

COMMERCE AND EMPLOYMENT DEPARTMENT – Finance Sector Group							
L. C. Morgan	4	4					
S. J. Falla, MBE	9	9					
C. S. McNulty Bauer	9	9					
M. W. Torode	5	1			4		

COMMERCE AND EMPLOYMENT DEPARTMENT – Client Services Working Group							
D. W. Staples	10	10					

NAME OF MEMBER	TOTAL NUMBER OF MEETINGS	MEMBER PRESENT		MEMBER ABSENT			
		Whole Meeting	Part of Meeting	Indisposed	States business	Personal business /holiday	Other
COMMERCE AND EMPLOYMENT DEPARTMENT and CULTURE AND LEISURE DEPARTMENT – Marketing Guernsey Group							
S. J. Falla, MBE	2	2					
M. G. O’Hara	2	2					
P. R. Sirett	0						

CULTURE AND LEISURE DEPARTMENT – Liberation Celebrations Committee							
M. G. O'Hara	9	9					

CULTURE AND LEISURE DEPARTMENT – KGV Management Committee							
J. Honeybill	12	12					

CULTURE AND LEISURE DEPARTMENT – Channel Islands Lottery Advisory Panel							
J. Honeybill	3	3					

CULTURE AND LEISURE DEPARTMENT – Guernsey Sports Commission							
M. G. O'Hara	9	4			5		

CULTURE AND LEISURE DEPARTMENT – Guernsey Sports Commission - Achievement Awards Committee							
M. G. O'Hara	7	5			2		

CULTURE AND LEISURE DEPARTMENT – Events Group							
M. G. O'Hara	3	3					

CULTURE AND LEISURE DEPARTMENT – Events Group – Chairmen of Specialist Interest Groups Sub-Meeting							
M. G. O'Hara	3	3					

EDUCATION DEPARTMENT – Appointments Panel							
W. J. Morgan	4	4					
A. H. Adam	4	4					
D. A. Grut	1	1					
M. A. Ozanne	2	2					
D. P. Le Cheminant	1	1					

NAME OF MEMBER	TOTAL NUMBER OF MEETINGS	MEMBER PRESENT		MEMBER ABSENT			
		Whole Meeting	Part of Meeting	Indisposed	States business	Personal business/ holiday	Other
EDUCATION DEPARTMENT – Project Board for St Sampson’s High School and Le Murier							
M. A. Ozanne	4	3		1			
W. J. Morgan	4	2			1	1	
D. A. Grut	4	4					
C. N. K. Parkinson	2	2					
M. H. Dorey	4	4					
J. Honeybill	4	3					1 – off-Island, reason unknown

EDUCATION DEPARTMENT – Employers’ AGM							
W. J. Morgan	0						

EDUCATION DEPARTMENT – Training Agency							
W. J. Morgan	1	1					

EDUCATION DEPARTMENT – Guille-Allès Library							
A. H. Adam	6	6					

EDUCATION DEPARTMENT – Blanchelande Girls’ College Board							
W. J. Morgan	3	2			1		
D. P. Le Cheminant	3	1				2	

EDUCATION DEPARTMENT – Ladies’ College Board							
D. A. Grut	6	4				2	

EDUCATION DEPARTMENT – Elizabeth College Board							
D. A. Grut	4	4					

EDUCATION DEPARTMENT – e-Learning							
A. H. Adam	7	6	1				

EDUCATION DEPARTMENT – Youth Service Committee							
D. P. Le Cheminant	1	1					

EDUCATION DEPARTMENT – College of Further Education Development Committee							
M. A. Ozanne	4	2	1		1		
W. J. Morgan	4	4					

NAME OF MEMBER	TOTAL NUMBER OF MEETINGS	MEMBER PRESENT		MEMBER ABSENT			
		Whole Meeting	Part of Meeting	Indisposed	States business	Personal business/ holiday	Other
EDUCATION DEPARTMENT – Apprenticeship Sub-Committee							
M. A. Ozanne	2	2					
W. J. Morgan	2	2					
D. W. Staples	2	0					2 – unknown

EDUCATION DEPARTMENT – Higher Education Awards Working Party							
A. H. Adam	8	6	1			1	
W. J. Morgan	8	8					

EDUCATION DEPARTMENT – Grammar School Committee							
M. A. Ozanne	2	2					
A. H. Adam	2	2					

EDUCATION DEPARTMENT – Joint Advisory Committee							
M. A. Ozanne	3	2		1			
W. J. Morgan	3	3					

EDUCATION DEPARTMENT – Lifelong Learning							
M. A. Ozanne	7	5		1		1	
W. J. Morgan	7	6				1	
D. P. Le Cheminant	7	5				1	1 – unknown
C. S. McNulty Bauer	7	5					2 - unknown

EDUCATION DEPARTMENT – Priaulx Library Council							
A. H. Adam	8	6			1	1	
C. H. Le Pelley	8	7		1			
W. M. Bell	8	4	1		3		

EDUCATION DEPARTMENT – Standing Advisory Council for Religious Education							
M. A. Ozanne	3	2				1	
W. J. Morgan	3				1	2	
D. P. Le Cheminant	3	2			1		

EDUCATION DEPARTMENT – Amherst and Vauvert Primary Schools' Committee							
A. H. Adam	3	1			1	1	

EDUCATION DEPARTMENT – Forest Primary School Committee							
M. A. Ozanne	3	2		1			

EDUCATION DEPARTMENT – La Mare de Carteret Primary School Committee							
A. H. Adam	3	3					

NAME OF MEMBER	TOTAL NUMBER OF MEETINGS	MEMBER PRESENT		MEMBER ABSENT			
		Whole Meeting	Part of Meeting	Indisposed	States business	Personal business/ holiday	Other
EDUCATION DEPARTMENT – La Houquette Primary School Committee							
M. A. Ozanne	3	1		1		1	

EDUCATION DEPARTMENT – St Andrew’s Primary School Committee							
M. A. Ozanne	3	3					

EDUCATION DEPARTMENT – Castel Primary School Committee							
A. H. Adam	1	1					

EDUCATION DEPARTMENT – St Martins Primary School Committee							
D. P. Le Cheminant	2	2					

EDUCATION DEPARTMENT – St Mary and St Michael Roman Catholic Primary School Committee							
D. P. Le Cheminant	3	2			1		

EDUCATION DEPARTMENT – Notre Dame du Rosaire Roman Catholic Primary School Committee							
D. P. Le Cheminant	3	3					

EDUCATION DEPARTMENT – Hautes Capelles Primary School Committee							
D. P. Le Cheminant	3	3					
M. M. Lowe	3	3					

EDUCATION DEPARTMENT – Vale Infant and Junior and St Sampson’s Infant Schools’ Committee							
W. J. Morgan	2	1				1	

EDUCATION DEPARTMENT – St Sampson’s Secondary School Committee							
W. J. Morgan	4	1				3	

EDUCATION DEPARTMENT – Les Beaucamps Secondary School Committee							
A. H. Adam	3	3					

EDUCATION DEPARTMENT - St Anne’s School Committee							
W. J. Morgan	3	3					

EDUCATION DEPARTMENT – La Mare de Carteret Secondary School Committee							
A. H. Adam	3	3					

NAME OF MEMBER	TOTAL NUMBER OF MEETINGS	MEMBER PRESENT		MEMBER ABSENT			
		Whole Meeting	Part of Meeting	Indisposed	States business	Personal business/ holiday	Other
HOME DEPARTMENT – Gambling Sub-Committee							
G. Guille	2	2					
S. J. Maindonald	2	2					
G. H. Mahv	1	1					

PUBLIC SERVICES DEPARTMENT – Roads Working Party							
A. H. Brouard	2	2					
T. M. Le Pelley	2	2					

PUBLIC SERVICES DEPARTMENT – Airport Pavement Project Board							
T. M. Le Pelley	3	3					

PUBLIC SERVICES DEPARTMENT – External Transport Group							
W. M. Bell	2	2					
T. M. Le Pelley	2	2					
S. J. Falla MBE	2	2					
C. S. McNulty Bauer	2	2					

PUBLIC SERVICES DEPARTMENT – Pilotage Board							
R. J. Le Moignan	2	2					
S. J. Ogier	1	1					

PUBLIC SERVICES DEPARTMENT – St Andrew’s Reservoir Site Development							
W. M. Bell	2	2					
T. M. Le Pelley	2	2					

PUBLIC SERVICES DEPARTMENT – Waste Disposal Authority							
W. M. Bell	10	10					
T. M. Le Pelley	10	10					
R. J. Le Moignan	10	8				2	
A. H. Brouard	10	9				1	
S. J. Ogier	10	10					

PUBLIC SERVICES DEPARTMENT – Solid Waste Management Working Party							
R. J. Le Moignan	1	1					
S. J. Ogier	1	1					
A. H. Brouard	1	1					

PUBLIC SERVICES DEPARTMENT – Guernsey Recycling Advisory Forum							
W. M. Bell	7	6		1			
S. J. Ogier	7	3					4 - unknown
T. M. Le Pelley	1	1					

NAME OF MEMBER	TOTAL NUMBER OF MEETINGS	MEMBER PRESENT		MEMBER ABSENT			
		Whole Meeting	Part of Meeting	Indisposed	States business	Personal business/ holiday	Other
PUBLIC SERVICES DEPARTMENT – Alderney Airport Working Party							
W. M. Bell	1	1					
T. M. Le Pelley	1	1					
R. J. Le Moignan	1	1					

PUBLIC SERVICES DEPARTMENT – Waste Industry Forum							
W. M. Bell	2	2					
T. M. Le Pelley	2	2					
R. J. Le Moignan	2	1				1	
A. H. Brouard	2	2					
S. J. Ogier	2	1					1 - unknown

PUBLIC ACCOUNTS COMMITTEE – Public Trading Operations Working Party							
C. D. Brock	1	1					
L. R. Gallienne	1	1					

PUBLIC ACCOUNTS COMMITTEE – Audit Working Party							
L. R. Gallienne	6	6					

PUBLIC ACCOUNTS COMMITTEE – Procedure Working Party							
L. R. Gallienne	2	2					
J. M. Tasker	2	2					

PUBLIC ACCOUNTS COMMITTEE – Contract Review Working Party							
B. J. Gabriel	2	1				1	
J. M. Tasker	2	2					

PUBLIC SECTOR REMUNERATION COMMITTEE – Pensions Consultative Committee							
J. P. Le Tocq	3	2				1	
A. H. Adam	3	2			1		
G. H. Mahy	1	1					
J. Honeybill	3	3					
B. L. Brehaut	3	3					
S. J. Maindonald	2	2					

PUBLIC SECTOR REMUNERATION COMMITTEE – Public Service Employees Joint Council							
J. P. Le Tocq	2	1			1		
A. H. Adam	2	2					
G. H. Mahy	1	1					
J. Honeybill	2	2					
B. L. Brehaut	2	2					
S. J. Maindonald	1	1					

PART III - REPORT BY MEMBER/ELECTORAL DISTRICT**Summary of Attendances at Meetings of The Policy Council, Departments and Committees**

NAME OF MEMBER	TOTAL NUMBER OF MEETINGS	MEMBER PRESENT		MEMBER ABSENT			
		Whole Meeting	Part of Meeting	Indisposed	States business	Personal business/ holiday	Other
ST PETER PORT SOUTH							
L. C. Morgan	22	21				1	
B. J. Gabriel	27	21	2		1	2	1
J. A. B. Gollop	75	73	1	1			
C. S. McNulty Bauer	96	88	1	1	1	1	4
B. L. Brehaut	85	74	3	1	1	3	3
J. M. Tasker	52	47	2			3	
ST PETER PORT NORTH							
L. R. Gallienne	87	71	3		9	3	1
J. Honeybill	103	94	1	1	1	4	2
R. R. Matthews	21	20				1	
J. A. Pritchard	39	29	3	3		1	3
C. D. Brock	66	56	1	1		8	
W. J. Morgan	82	60	2		5	12	3
D. E. Lewis	97	59	1	35		2	
ST. SAMPSON							
L. S. Trott	115	104	5	1	3	2	
D. P. Le Cheminant	94	80	3	3	2	5	1
S. J. Maindonald	57	40	8	4	1	4	
S. J. Ogier	115	95	7	1	1	1	10
I. F. Rihoy	30	23	1	2		4	
R. J. Le Moignan	57	45	1		1	8	2
VALE							
G. H. Mahy	74	69	1	1	2	1	
P. J. Roffey	76	65	1	1		9	
D. B. Jones	77	66	2	2	1	4	2
M. M. Lowe	55	53				2	
G. Guille	58	55		1	1		1
B. R. de Jersey	33	30	1			2	
D. W. Staples	70	59	2	1		4	4
CASTEL							
S. J. Falla, MBE	128	106	11	2		7	2
M. H. Dorey	99	94	1		1	3	
E. W. Walters	21	6	3	6		5	1
J. P. Le Tocq	90	68	4	1	2	8	7
B. M. Flouquet	75	69	2	2		2	
A. H. Adam	126	107	6	1	6	6	
T. M. Le Pelley	80	75				5	

NAME OF MEMBER	TOTAL NUMBER OF MEETINGS	MEMBER PRESENT		MEMBER ABSENT			
		Whole Meeting	Part of Meeting	Indisposed	States business	Personal business/ holiday	Other
WEST							
D. A. Grut	65	58	3			4	
M. A. Ozanne	93	67	4	7	4	9	2
D. de G. De Lisle	55	54	1				
C. H. Le Pelley	46	42		1		1	2
P. R. Sirett	69	60				8	1
A. H. Brouard	57	52				5	
SOUTH-EAST							
M. W. Torode	74	63	1		6	4	
C. N. K. Parkinson	48	37	3	2		4	2
W. M. Bell	119	103	3	4	4	4	¹
F. W. Quin	32	31				1	
J. M. Le Sauvage	30	30					
M. G. O’Hara	92	75		5	9	1	2
ALDERNEY REPRESENTATIVES							
P. F. Walter, MBE, MC	0						
R. H. F. Cox, TD	6	6					
W. Walden	11	8			3		
R. G. Willmott	0						

PART IV – REPORT OF ATTENDANCE IN THE STATES OF DELIBERATION

NAME OF MEMBER	TOTAL NUMBER OF DAYS (or part)	DAYS ATTENDED (or part)
ST PETER PORT SOUTH		
L. C. Morgan	30	27
B. J. Gabriel	30	29
J. A. B. Gollop	30	30
C. S. McNulty Bauer	30	30
B. L. Brehaut	30	30
J. M. Tasker	30	30
ST PETER PORT NORTH		
L. R. Gallienne	30	30
J. Honeybill	30	28
R. R. Matthews	30	30
J. A. Pritchard	30	30
C. D. Brock	30	27
W. J. Morgan	30	26
D. E. Lewis	30	19
ST SAMPSON		
L. S. Trott	30	29
D. P. Le Cheminant	30	30
S. J. Maindonald	30	24
S. J. Ogier	30	30
I. F. Rihoy	30	26½
R. J. Le Moignan	30	30
VALE		
G. H. Mahy	30	29
P. J. Roffey	30	30
D. B. Jones	30	29
M. M. Lowe	30	29
G. Guille	30	30
B. R. de Jersey	30	28
D. W. Staples	30	29
CASTEL		
S. J. Falla, MBE	30	29
M. H. Dorey	30	30
E. W. Walters	30	17½
J. P. Le Tocq	30	29
B. M. Flouquet	30	30
A. H. Adam	30	30
T. M. Le Pelley	30	30

NAME OF MEMBER	TOTAL NUMBER OF DAYS (or part)	DAYS ATTENDED (or part)
WEST		
D. A. Grut	30	29½
M. A. Ozanne	30	27
D. de G. De Lisle	30	30
C. H. Le Pelley	30	24
P. R. Sirett	30	30
A. H. Brouard	30	30
SOUTH-EAST		
M. W. Torode	30	30
C. N. K. Parkinson	30	30
W. M. Bell	30	26
F. W. Quin	30	27
J. M. Le Sauvage	30	30
M. G. O'Hara	30	26½
ALDERNEY REPRESENTATIVES		
P. F. Walter, MBE, MC	4	3
R. H. F. Cox, TD	4	4
W. Walden	30	29
R. G. Willmott	30	29

Note:

The only inference which can be drawn from the statistics in this part of the report is that a Member was present for the roll call or was subsequently relévé(e).

Some Members recorded as absent will have been absent for acceptable reasons, e.g. illness or representing the States in some other forum such as the Commonwealth Parliamentary Association.