



BILLET D'ÉTAT

WEDNESDAY, 28th JULY 2010

XVII
2010

1. Projet de Loi entitled "The Mental Health (Bailiwick of Guernsey) Law, 2010", p. 965
2. Treasury and Resources Department – Anti Money Laundering/Countering Terrorist Financing related amendments to Charities Legislation^a, p. 966
3. Commerce and Employment Department – Amendments to Site Visits and Insurance Legislation^b, p. 969
4. Commerce and Employment Department – Anti-Money Laundering/Combating the Financing of Terrorism related amendments to Post Office legislation^c, p. 975
5. Home Department – Amendments to Criminal Justice legislation in respect of Money Laundering and Terrorist Financing^d, p. 978
6. Legislation Select Committee – Election of Non-Voting Member, p. 983
7. Policy Council – The Guernsey Financial Services Commission: 2009 Annual Report, p. 984
8. Policy Council – Amendment to the Fees, Charges and Penalties (Guernsey) Law, 2007, p. 986
9. Policy Council – Replacement of traditional Censuses with a rolling electronic Census, p. 990
10. Housing Department – Housing (Control of Occupation) (Guernsey) Law 1994 – Variation to the Housing Register, p. 1015
11. Culture and Leisure Department – Safeguarding Guernsey's Heritage Assets, p. 1018
12. Panel of Members (Constituted by the Administrative Decisions (Review) (Guernsey) Laws, 1986 – 93) – Report of Complaints Received in 2009, p. 1068
13. Public Accounts Committee – Education Development Plan 1 Post Implementation Reviews, p. 1070
14. States Assembly and Constitution Committee – Amendment to the Rules of Procedure of the States of Deliberation relating to the States Strategic Plan, p. 1090

^a Accompanying the draft Ordinance entitled "The Charities and Non Profit Organisations (Registration) (Guernsey) Law, 2008 (Amendment) Ordinance, 2010"

^b Accompanying draft Ordinances entitled "The Financial Services Commission (Site Visits) (Bailiwick of Guernsey) (Amendment) Ordinance, 2010", "The Insurance Business (Bailiwick of Guernsey) (Amendment) (No. 2) Ordinance, 2010" and "The Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) (Amendment) (No. 2) Ordinance, 2010".

^c Accompanying the draft Ordinance entitled "The Post Office (Bailiwick of Guernsey) (Amendment) Ordinance, 2010".

^d Accompanying draft Ordinances entitled "The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) (No.2) Ordinance, 2010", "The Drug Trafficking (Bailiwick of Guernsey) (Amendment) (No.2) Ordinance, 2010", "The Terrorism and Crime (Bailiwick of Guernsey) (Amendment) (No. 3) Ordinance, 2010", "The Disclosure (Bailiwick of Guernsey) (Amendment) (No. 3) Ordinance, 2010" and "The Criminal Justice (International Co-operation) (Bailiwick of Guernsey) (Amendment) Ordinance, 2010".

CONTINUED OVERLEAF

Statutory Instruments laid before the States

The Liquor Licensing (Fees) Regulations, 2010, p. 1105
The Terrorism and Crime (Bailiwick of Guernsey) (Amendment) Regulations, 2010, p. 1105
The Disclosure (Bailiwick of Guernsey) Amendment Regulations, 2010, p. 1105
The Insurance Managers and Insurance Intermediaries (Licensing) Regulations, 2002, p. 1106
The Insurance Business (Annual Return) Regulations, 2008, p. 1106
The Insurance Business (Approved Assets) Regulations, 2008, p. 1106
The Insurance Business (Asset and Liability Valuation) Regulations, 2008, p. 1106
The Insurance Business (Duties of General Representatives) Regulations, 2008, p. 1107
The Insurance Managers and Insurance Intermediaries (Annual Return) Regulations, 2008, p. 1107
The Insurance Managers and Insurance Intermediaries (Approved Assets) Regulations, 2008, p. 1107
The Insurance Managers and Insurance Intermediaries (Client Monies) Regulations, 2008, p. 1107
The Insurance Business (Adaptation for Members of the Society of Lloyd's) Regulations, 2008, p. 1108
The Financial Services Commission (Fees) Regulations, 2009, p. 1108
The Protected Cell Companies and Incorporated Cell Companies (Fees for Insurers) Regulations, 2009, p. 1108
The Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) (Fees) Regulations, 2009, p. 1109

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 **28th JULY 2010** at 9.30am, to consider the items contained in this Billet d'État which have been submitted for debate.

G. R. ROWLAND
Bailiff and Presiding Officer

The Royal Court House
Guernsey
9 July 2010

PROJET DE LOI

entitled

THE MENTAL HEALTH (BAILIWICK OF GUERNSEY) LAW, 2010

The States are asked to decide:-

I.- Whether they are of the opinion to approve the Projet de Loi entitled “The Mental Health (Bailiwick of Guernsey) Law, 2010” and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.

TREASURY AND RESOURCES DEPARTMENT**ANTI MONEY LAUNDERING/COUNTERING TERRORIST FINANCING
RELATED AMENDMENTS TO CHARITIES LEGISLATION**

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

15th June 2010

Dear Sir

1. Executive Summary

The purpose of this report is to recommend an amendment to the Charities and Non Profit Organisations (Registration) (Guernsey) Law, 2008 (“NPOs Law”). The Bailiwick is currently being evaluated by the International Monetary Fund (“the IMF”) on the Bailiwick’s implementation of the recommendations of the Financial Action Task Force (“FATF”) - the body which set the international standards for Anti-Money Laundering/Countering Terrorist Financing (“AML/CFT”). During the evaluation by the IMF it has emerged that there is an aspect of the AML/CFT framework governing the registration framework for charities and non-profit organisations (“NPOs”) which could be changed. This change concerns the introduction of administrative sanctions for failing to comply with the requirements of the registration framework.

The Department understands that if the NPOs Law is amended swiftly to address this point, that will be reflected in the IMF report when it is published later this year. Therefore the Department recommends that the necessary amendment is made as soon as possible to ensure that the Bailiwick’s AML/CFT framework overall is assessed as being as compliant with the FATF standards as is possible.

2. Background

The requirements of the NPOs Law are currently underpinned by a number of criminal sanctions. Failure to comply with the requirement to register is punishable on summary conviction with a fine of up to £10,000. It is an offence to make a statement or to produce information which is false, deceptive or misleading in a material particular in connection with an application for registration, and this is punishable on indictment with an unlimited fine and/or up to 2 years’ imprisonment, and on summary conviction with a term of imprisonment of up to 3 months and/or a fine of up to £10,000. There is a further offence of failing to comply with duties in respect of annual statements and the

keeping of proper records, punishable with a fine of up to £10,000. However, there may be circumstances in which a criminal prosecution is viewed as too severe a sanction to impose and where an administrative sanction would be more appropriate. The only administrative sanction currently available under the NPOs Law is a power to strike a charity or NPO off the Register.

3. Recommended Amendments

The Department believes that additional administrative sanctions in the form of financial penalties would assist in the effective and proportionate enforcement of the registration framework. These financial penalties would be for:

- (i) failure to register as a charity or NPO,
- (ii) failure to renew registration,
- (iii) failure to file financial statements, and
- (iv) failure to respond to requests for information

as detailed in the draft Ordinance.

The Policy Council, with the concurrence of the Presiding Officer, has agreed that this Report and the draft Ordinance appear in the same Billet d'État due to the urgency of the matter.

4. Consultation

The Law Officers have been consulted and raise no objection to the proposal.

5. Recommendation

The Department recommends that the States:

- 1) Approve the proposals set out in this Report, and
- 2) Approve the draft Ordinance entitled "The Charities and Non Profit Organisations (Registration) (Guernsey) Law, 2008 (Amendment) Ordinance, 2010" and to direct that the same shall have effect as an Ordinance of the States.

Yours faithfully

C N K Parkinson
Minister

(NB The Policy Council has no comment on the proposals.)

The States are asked to decide:

II.- Whether after consideration of the Report dated 15th June, 2010, of the Treasury and Resources Department, they are of the opinion:-

1. To approve the proposals set out in that Report.
2. To approve the draft Ordinance entitled “The Charities and Non Profit Organisations (Registration) (Guernsey) Law, 2008 (Amendment) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.

COMMERCE AND EMPLOYMENT DEPARTMENT

AMENDMENTS TO SITE VISITS AND INSURANCE LEGISLATION

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

15th June 2010

Dear Sir

1. Executive Summary

1.1. This Report proposes a number of amendments to the regulatory laws administered by the Guernsey Financial Services Commission (“the Commission”). In summary the report proposes:

- Amending the Financial Services Commission (Site Visits) (Bailiwick of Guernsey) Ordinance 2008 (“the Site Visits Ordinance”) to bring the insurance sector within that Ordinance.
- Bringing the penalties provisions in the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 (“IMIIL”) into line with those in the Insurance Business (Bailiwick of Guernsey) Law, 2002 (“IBL”).
- Other consequential and technical amendments to the relevant laws.

1.2. The Bailiwick is currently being evaluated by the International Monetary Fund (“the IMF”) on the Bailiwick’s implementation of the recommendations of the Financial Action Task Force (“the FATF”) and the recommendations of the international bodies which set relevant regulatory standards. During the evaluation by the IMF it has emerged that there are some aspects of the regulatory framework which could be changed.

1.3. The Department understands that if the relevant legislation is changed swiftly to address these points, then that will be reflected in the IMF report when it is published later this year. Therefore the Department recommends that the necessary amendments are made as soon as possible to ensure that the Bailiwick’s AML/CFT framework overall is assessed as being as compliant with the FATF standards as is possible.

2. Changes to the Site Visits Ordinance

- 2.1. This Report proposes amendments to the Site Visits Ordinance, the IBL, the IMIIL, and a number of ancillary and consequential amendments that necessarily result from these changes.
- 2.2. The purpose of these amendments is to put the Commission's powers to conduct on-site inspections of regulated business on a uniform basis. Presently the regulatory laws relating to the insurance industry contain separate on-site inspection powers which are different to those which apply to the other industries regulated by the Commission.

3. On-site inspection provisions in the Site Visits Ordinance and the Insurance Laws

- 3.1. The Site Visits Ordinance came into force in January 2008 and provides for on-site inspections to assess compliance with the regulatory laws in respect of licences/registrations issued under:
 - the Protection of Investors (Bailiwick of Guernsey) Law, 1987 ("POI Law"),
 - the Banking Supervision (Bailiwick of Guernsey) Law, 1994 ("Banking Law"),
 - the Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) Law, 2008 ("Registered FSBs Law"),
 - the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 ("Fiduciaries Law"), and
 - the Criminal Justice (Proceeds of Crime) (Legal Professionals, Accountants and Estate Agents) (Bailiwick of Guernsey) Regulations, 2008.
- 3.2. The Site Visits Ordinance expressly excludes the IBL and the IMIIL from its ambit due to there being separate on-site inspection powers included in these two laws. The powers under the Site Visits Ordinance differ from those in the insurance laws.
- 3.3. The Site Visits Ordinance provides a tiered approach to inspections:
 - firstly, Commission officers may make site visits to licensees or associated parties with their agreement,

- in addition the Commission may also conduct a site visit without the agreement of a licensee provided that it gives notice to the licensee of the visit,
 - finally, if the Commission's officers suspect that notice of a visit would result in documents being removed, tampered with, falsified or destroyed, the Commission may enter premises on request without notice.
- 3.4. During a site visit the Commission's officers may require documents to be produced for examination, copies of documents to be provided and questions to be answered. The Site Visits Ordinance also provides that the Bailiff may grant a warrant if there are reasonable grounds for suspecting that a request or requirement for a site visit or for the provision of information or documents has not been complied with or would not be complied with.
- 3.5. The approach to on-site inspections is different under the IBL and the IMIIL. Under those Laws:
- the Commission may, after making arrangements with a licensee or an associated party, make site visits to the licensee or associated party at such times, intervals and places as we think fit;
 - where a licensee fails to co-operate with the Commission's officers, that failure may be taken into account by the Commission in deciding whether and in what manner it should exercise its statutory functions.
- 3.6. The IBL and the IMIIL also provide that the Bailiff may grant a warrant if there are reasonable grounds for suspecting that a request or a requirement for the provision of information and documents has not been or would not be complied with but does not provide that a warrant may be granted if a request for a site visit has not been complied with.
- 3.7. The Commission has no powers under the IBL and the IMIIL to conduct a site visit without the agreement of, or without notice to, an insurance licensee. This restricts the Commission's power to conduct on-site inspections in the insurance sector.
- 3.8. The powers under the IBL and the IMIIL are weaker than those to which the other financial services business regulated by the Commission are subject. The Department considers that the on-site inspection powers across the regulatory laws should be consistent, and contained in a single piece of legislation.
- 3.9. Additionally, the Ordinance does not explicitly and directly provide for on-site inspections in respect of the Transfer of Funds Ordinances - the Commission currently has powers to verify compliance with the Transfer of Funds Ordinances because the minimum criteria for licensing in the regulatory laws cover compliance with these Ordinances.

- 3.10. The Department recommends that the Site Visits Ordinance be amended to cover the insurance industry and the Transfer of Funds Ordinances. The powers in the IBL and the IMIIL should be repealed.
- 3.11. At the same time, based on advice from the Law Officers' Chambers, it is proposed to refine the provisions of the Site Visits Ordinance in the following areas to:
- clarify the definition of “associated party” by referring to the corresponding definition in the IBL;
 - amend the provisions on disclosure of information to protect third party liens;
 - introduce an offence of falsifying, destroying or removing documents;
 - add a definition of the term “Bailiff”.

4. Amendment to penalties section of the IMIIL

- 4.1. Subsection 88(1) of the IBL lists the sections under the law to which the penalty is a fine; while subsection 88(2) states that the penalty for an offence under any other section of the law is a fine and/or imprisonment. Subsection 65(1) of the IMIIL currently lists the sections under that law to which the penalty is a fine and/or imprisonment and subsection 65(2) states that the penalty for an offence under any other section is a fine. It is proposed that the subsections of section 65 of the IMIIL be amended to bring them in line with the equivalent subsections of the IBL.

5. Consultation

- 5.1. The Commission conducted has consulted with the financial services industry over these changes. There were no objections to these changes and the Department considers them to be largely uncontroversial.
- 5.2. The Commission has consulted with the relevant authorities in Alderney and Sark. The Commission has advised the Department that Alderney and Sark have no objection to the proposed changes.
- 5.3. The Law Officers have been consulted and raise no objection to the proposal.

6. Legislation

- 6.1. A number of Ordinances will be required to effect the changes recommended above. Due to the need to have these changes in force the Department has sought the approval of the Policy Council and the Presiding Officer for this

Report and the draft amending Ordinance to appear in the same Billet d'État. The Department is grateful to the Policy Council and the Presiding Officer for their consent in that regard.

7. Recommendation

7.1. The Department recommends that the States:

1. Approve the proposals set out in this Report, and
2. Approve the draft Ordinances listed at paragraphs (a) through (c) below and direct that the same shall have effect as Ordinances of the States:
 - (a) The Financial Services Commission (Site Visits) (Bailiwick of Guernsey) (Amendment) Ordinance, 2010;
 - (b) The Insurance Business (Bailiwick of Guernsey) (Amendment) (No. 2) Ordinance, 2010;
 - (c) The Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) (Amendment) (No. 2) Ordinance, 2010.

Yours faithfully

C S McNulty Bauer
Minister

(NB The Policy Council has no comment on the proposals.)

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

The States are asked to decide:

III.- Whether, after consideration of the Report dated 15th June, 2010, of the Commerce and Employment Department, they are of the opinion:-

1. To approve the proposals set out in that Report.
2. To approve the draft Ordinance entitled “The Financial Services Commission (Site Visits) (Bailiwick of Guernsey) (Amendment) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.
3. To approve the draft Ordinance entitled “The Insurance Business (Bailiwick of Guernsey) (Amendment) (No. 2) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.
4. To approve the draft Ordinance entitled “The Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) (Amendment) (No. 2) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.

COMMERCE AND EMPLOYMENT DEPARTMENT

ANTI-MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM RELATED AMENDMENTS TO POST OFFICE LEGISLATION

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

15th June 2010

Dear Sir

1. Executive Summary

This report recommends changes to enabling provisions in the primary legislation governing the post office. The changes are necessary to ensure that the Bailiwick's legislative regime in respect of anti - money laundering ("AML") and countering terrorist financing ("CFT") meet internationally recognised standards.

The Bailiwick is currently being evaluated by the International Monetary Fund ("the IMF") on the Bailiwick's implementation of the recommendations of the Financial Action Task Force (FATF") - the body which set the international standards for AML/CFT. During the evaluation by the IMF it has been identified that there are some aspects of the AML/CFT framework governing the cross border movement of cash which could be changed. These changes concern the sending of cash via the postal system, which is currently governed by the Post Office (Bailiwick of Guernsey) Law, 2001 ("Post Office Law") and the Post Office (Postal Packets) Ordinance, 1973 ("Post Office Ordinance"). The aim is to achieve the necessary changes by widening the regulation making powers in the Post Office Law and then making regulations amending the Post Office Ordinance.

The Department understands that if the relevant legislation is changed swiftly to address these points, that will be reflected in the IMF report when that is published later this year. Therefore the Department recommends that the necessary amendments are made as soon as possible to ensure that the Bailiwick's AML/CFT framework overall is assessed as being as compliant with the FATF standards as is possible.

2. Recommended Changes

These necessary changes to the Post Office Ordinance are:

- provision should be made for the temporary restraint of cash sent by post pending investigation,
- there should be specific authority for law enforcement to make enquiries in respect of cash sent by post,
- criminal sanctions should be introduced for failing to comply with the declaration requirements that govern the sending of cash by post.
- to make explicit the fact that the post office legislation and various powers arising under the customs and excise laws apply to cash.

3. Existing Legislative Framework

The Post Office Ordinance contains declaration requirements and supporting measures that govern the sending of postal packets, and these provisions have been relied upon during the IMF evaluation to demonstrate that the Bailiwick has a declaration regime in place to cover the sending of cash by post. However, due to the lack of explicit powers set out above the present provisions need to be amended. The amendments should properly be made to the Post Office Ordinance. That Ordinance was enacted under legislation that has since been repealed by the Post Office Law. However, the Post Office Law provides that the Post Office Ordinance continues to have effect as if it were regulations made by the Home Department under section 37 of the Post Office Law. Accordingly the Post Office Ordinance may now be amended by regulations of the Home Department. Therefore in order to implement changes necessary the Home Department needs to issue regulations amending the Post Office Ordinance.

The Department has been advised that the regulation making power at section 37 of the Post Office Law may not be wide enough as currently worded to permit all of the necessary amendments. In particular, some of the required amendments may be achieved simply by designating the Post Office Ordinance as a customs law but this is not possible under section 37 of the Post Office Law as currently worded. This means that section 37 of the Post Office Law needs to be amended to broaden the powers of the Home Department to issue regulations. The Department believes that an amendment to 37 of the Post Office Law (and other ancillary and consequential amendments resulting from that change) would ensure that the Home Department has sufficient powers to make the necessary changes to the Post Office Ordinance by regulation. In addition the Department believes that the powers to amend the Post Office Ordinance should be broadened to ensure that any other amendments necessary for the effective operation and oversight of the postal system can be made by regulation in the future.

4. Consultation

The Law Officers have been consulted and raise no objection to the proposal. The authorities in Alderney and Sark have been consulted.

5. Legislation

The Post Office Law may be amended by Ordinance. Due to the need to have these changes in force the Department has sought the approval of the Policy Council and the Presiding Officer for this Report and the draft amending Ordinance to appear in the same Billet d'État. The Department is grateful to the Policy Council and the Presiding Officer for their consent in that regard.

6. Recommendation

The Department recommends that the States:

- 1) Approve the proposals set out in this Report,
- 2) Approve the draft Ordinance entitled "The Post Office (Bailiwick of Guernsey) (Amendment) Ordinance, 2010" and to direct that the same shall have effect as an Ordinance of the States.

Yours faithfully,

CS McNulty Bauer
Minister

(NB The Policy Council has no comment on the proposals.)

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

The States are asked to decide:

IV.- Whether, after consideration of the Report dated 15th June, 2010, of the Commerce and Employment Department, they are of the opinion:-

1. To approve the proposals set out in that Report.
2. To approve the draft Ordinance entitled "The Post Office (Bailiwick of Guernsey) (Amendment) Ordinance, 2010" and to direct that the same shall have effect as an Ordinance of the States.

HOME DEPARTMENT

AMENDMENTS TO CRIMINAL JUSTICE LEGISLATION IN RESPECT OF MONEY LAUNDERING AND TERRORIST FINANCING

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

18th June 2010

Dear Sir

1. Executive Summary

The purpose of this States Report is to seek authority from the States for a number of amendments to improve both compliance with international standards and the effectiveness of the Bailiwick's legislative regime in respect of anti-money laundering and counter terrorist financing.

The Bailiwick is currently being evaluated by the International Monetary Fund ("the IMF") on the Bailiwick's implementation of the recommendations of the Financial Action Task Force ("FATF") - the body which sets the international standards for anti-money laundering ("AML") and countering terrorist financing ("CFT"). During the evaluation by the IMF it has emerged that there are some aspects of the criminal justice part of the AML/CFT framework which could be changed.

The suggested changes concern the confiscation of benefits indirectly derived from proceeds of crime or terrorist property, the requirement for countries to be designated by Ordinance before mutual legal assistance may be provided to them, and the references to prejudice and reasonableness in the "tipping off" offences that underpin the AML/CFT framework.

2. Proposals from Her Majesty's Comptroller

Her Majesty's Comptroller supports the changes and has written to the Department in the following terms:

"I support these changes and advise that for the reasons set out below, they do not represent a significant departure from the existing AML/CFT legislative framework and practice."

I understand that if the legislation is amended swiftly to address the various points set out above, that will be reflected in the IMF report when that is published later this year. I therefore advise that amendments are made to the various enactments as soon as possible to ensure that the Bailiwick's AML/CFT framework overall is assessed in the IMF report as being as compliant with the FATF standards as is possible.

Confiscation

The FATF standard requires that the confiscation should be available for property that is derived directly or indirectly from the proceeds of crime or terrorist property, including income, profits and other benefits. While this is not explicitly dealt with in the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 ("Proceeds of Crime Law"), the Drug Trafficking (Bailiwick of Guernsey) Law, 2000 ("Drug Trafficking Law") and the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 ("Terrorism Law"), for many years such indirect benefits have been included in confiscation orders made by the Royal Court on the basis that the power to do so is implicit in the relevant definitions in the legislation. Therefore if the legislation were to be amended to make this implicit power explicit, that would meet any possible concerns about lack of clarity and would not amount to any change in current practice.

Designations

There are currently designation requirements in the Proceeds of Crime Law, the Drug Trafficking Law, the Terrorism Law and the Criminal Justice (International Co-operation) (Bailiwick of Guernsey) Law, 2001 which must be met before mutual legal assistance requests can be considered. However, the Bailiwick has an effective and well developed system in place to ensure that mutual legal assistance requests are dealt with in a manner that is consistent with the interests of justice and human rights, and this system does not depend on designations. Every request is considered on its own merits irrespective of designation, and in any case where there are concerns as to human rights abuses or similar issues in the requesting state, a decision will be taken as to whether to refuse the request, or to grant it subject to certain undertakings. I do not consider that the need for a legislative provision designating the country in question adds anything to the safeguards provided by this system. Consequently, I advise that removal of the need for designations would have no bearing on the decision making process and would improve the Bailiwick's ability to provide timely assistance.

"Tipping Off"

I have examined the wording of the tipping off offences in the Proceeds of Crime Law, the Drug Trafficking Law, the Terrorism Law and the Disclosure (Bailiwick of Guernsey) Law, 2007 to assess whether the offences may be too narrow because of references to prejudice and reasonableness. My conclusion is

that if the legislation were amended to replace those references with specific provision for disclosures made for the purposes of assisting the law enforcement agencies and the regulatory authorities, this would meet any possible concerns about the scope of the offences while continuing to permit necessary information sharing. It would also have the effect of providing greater clarity to the financial sector and other businesses as to the circumstances in which disclosure is permitted. Accordingly, I advise that these changes should also be implemented.

Conclusion

In view of the need to act swiftly so as to ensure that the amendments are taken into account in the final IMF report, I recommend that the legislative amendments outlined above should be enacted forthwith, and would be grateful if the Home Department would submit a Report containing appropriate recommendations to the States of Deliberation as soon as possible.”

3. Cost/Resources

There should be no additional Law Enforcement staff or increase to any costs as a consequence of these legislative amendments.

4. Legislation

The Department accepts the recommendations of HM Comptroller and advises that the legislation should be amended to deal with the issues that he has identified. With respect to designations, it believes that the most effective way to deal with this issue at present is to specify that all countries are now designated for the purposes of all relevant primary and secondary legislation. The effect of this approach in practice will be kept under review. The enactments referred to by HM Comptroller may all be amended by Ordinance. The Policy Council, with the concurrence of the Presiding Officer, has agreed that this States Report and the draft amending Ordinances appear in the same Billet d’Etat due to the urgency of the matter. The Department is grateful to the Policy Council and the Presiding Officer for their consent in that regard.

5. Consultation

The States of Alderney and Chief Pleas of Sark have been consulted regarding the amendments to legislation proposed in this Report.

The Law Officers support the legislative amendments proposed in this States Report.

6. Recommendations

The Department recommends that the States:

1. Approve the proposals set out in this Report; and
2. Approve the enactment of the following Ordinances:
 - (a) The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) (No.2) Ordinance, 2010;
 - (b) The Drug Trafficking (Bailiwick of Guernsey) (Amendment) (No.2) Ordinance, 2010;
 - (c) The Terrorism and Crime (Bailiwick of Guernsey) (Amendment) (No. 3) Ordinance, 2010;
 - (d) The Disclosure (Bailiwick of Guernsey) (Amendment) (No. 3) Ordinance, 2010;
 - (e) The Criminal Justice (International Co-operation) (Bailiwick of Guernsey) (Amendment) Ordinance, 2010.

Yours faithfully

G H Mahy
Minister

(NB The Policy Council has no comment on the proposals.)

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

The States are asked to decide:-

V.- Whether, after consideration of the Report dated 18th June, 2010, of the Home Department they are of the opinion:-

1. To approve the proposals set out in that Report.
2. To approve the draft Ordinance entitled “The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) (No.2) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.
3. To approve the draft Ordinance entitled “The Drug Trafficking (Bailiwick of Guernsey) (Amendment) (No.2) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.
4. To approve the draft Ordinance entitled “The Terrorism and Crime (Bailiwick of Guernsey) (Amendment) (No. 3) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.
5. To approve the draft Ordinance entitled “The Disclosure (Bailiwick of Guernsey) (Amendment) (No. 3) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.
6. To approve the draft Ordinance entitled “The Criminal Justice (International Co-operation) (Bailiwick of Guernsey) (Amendment) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.

LEGISLATION SELECT COMMITTEE**ELECTION OF NON-VOTING MEMBER**

The States are asked:-

VI.- To elect as a non-voting member of the Legislation Select Committee, Mr Gavin Anthony St Pier, who has been nominated in that behalf by that Committee, to serve until May 2012 in accordance with Rule 5 (1) (c) of the Constitution and Operation of States Departments and Committees.

(NB The Legislation Select Committee has provided the following profile of Gavin St Pier.

Gavin St Pier is a leading figure in the fiduciary and professional services sector and is currently the non-executive chairman at The Mercator Group. A chartered accountant, chartered tax adviser and barrister, Mr St Pier became a director of Barclays Wealth after it acquired Walbrook Group. He was previously a partner of KPMG and Deloitte, is a former chairman of the Society of Trust and Estate Practitioners Guernsey Branch and he remains deputy chairman of STEP Worldwide. In addition Mr St Pier is a member of the Guernsey Tax Tribunal a member-designate of Guernsey's Independent Police Complaints Commission and a member of the Guernsey Recycling Advisory Forum. He previously served on the Legislation (Select) Committee between 2000 and 2006.)

POLICY COUNCIL

THE GUERNSEY FINANCIAL SERVICES COMMISSION: 2009 ANNUAL REPORT

The Financial Services Commission (Bailiwick of Guernsey) Law, 1987, as amended, requires the Commission to prepare an annual report and accounts for submission by the Policy Council to the States.

The Policy Council recommends that the States retain the firm of KPMG Channel Islands Ltd as auditors of the Guernsey Financial Services Commission for the year ending 31 December 2010.

The Policy Council recommends the States:

- (1) to note the Report;
- (2) to approve the accounts of the Guernsey Financial Services Commission for the year ended 31 December 2009;
- (3) to retain the firm of KPMG Channel Islands Ltd as auditors of the Guernsey Financial Services Commission for the year ending 31 December 2010.

L S Trott
Chief Minister

7th June 2010

(NB The Guernsey Financial Services Commission 2009 Annual Report, which is appended to this Report, is published separately)

(NB The Public Accounts Committee favours the retention of KPMG Channel Islands Ltd as external auditors of the Guernsey Financial Services Commission for the year ending 31 December 2010)

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

The States are asked to decide:-

VII.- Whether, after consideration of the Report dated 7th June, 2010, of the Policy Council, they are of the opinion:-

1. To note the Report.
2. To approve the accounts of the Guernsey Financial Services Commission for the year ended 31 December 2009.
3. To retain the firm of KPMG Channel Islands Ltd as auditors of the Guernsey Financial Services Commission for the year ending 31 December 2010.

POLICY COUNCIL

AMENDMENT TO THE FEES, CHARGES AND PENALTIES (GUERNSEY) LAW, 2007

Executive Summary

1. This report proposes the enactment of legislation to extend and amend the Schedule to the Fees, Charges and Penalties (Guernsey) Law, 2007.

Report

2. The Law provides that any fee prescribed by specified Orders in Council, Ordinances or Resolutions of the States may be amended by Regulation of the relevant States department or other body.
3. The specified Orders in Council, Ordinances and Resolutions referred to above are listed in a Schedule to the Law. The Law also provides that the Schedule may be amended from time to time by Ordinance.
4. The Schedule was originally compiled in 2006. The Policy Council has, in consultation with all the departments and committees of the States, carried out a review to ascertain whether any further Orders in Council, Ordinances and Resolutions should be added to the Schedule. The legislation set out in the table appended to this report has been so identified.
5. The Policy Council therefore recommends that the Schedule to the Law be amended by the addition thereto of the Ordinances set out in the table appended.
6. One further amendment to the Schedule is required. In Part A thereof, with regard to the Loi relative aux Ventes Publiques à l'Encan of 1914 the fees are described as being payable to the Home Department for the grant and renewal of an auctioneer's licence. That function was transferred from the Home Department to the Commerce and Employment Department by virtue of the Machinery of Government (Transfer of Functions) (Guernsey) (No 2) Ordinance, 2006. Consequently it is proposed that the Schedule to the Law be amended accordingly.

Consultation

7. The Law Officers have been consulted and raise no objection to the proposals.

Recommendation

8. The Policy Council therefore recommends the States to direct the preparation of legislation amending the Fees, Charges and Penalties (Guernsey) Law, 2007

- (a) by adding
 - (i) the Bar Ordinance, 1949, as amended;
 - (ii) the Public Transport Ordinance, 1986, as amended;
 - (iii) the Road Traffic (Permits to Drive Public Service Vehicles) Ordinance, 1986, as amendedto Part B of the Schedule;

- (b) by substituting the words “Commerce and Employment Department” for “Home Department” in relation to the Loi relative aux Ventes Publiques à l’Encan specified in Part A of the Schedule.

L S Trott
Chief Minister

7th June 2010

DEPARTMENT/ BODY	TITLE OF LEGISLATION	DESCRIPTION OF CHARGE/FEE
Royal Court	The Bar Ordinance, 1949, as amended	Fee payable by candidates for the Bar examinations
Environment	The Public Transport Ordinance, 1986, as amended	<p>Fees for the grant (or renewal) of public service vehicle licences, temporary replacement vehicle licences and permanent replacement vehicle licences.</p> <p>Fees for the transfer of a public service vehicle licence to the new owner of the (previously licensed) motor vehicle.</p> <p>Payment of a refundable deposit for a public service vehicle licence plate.</p> <p>Fees for the examination (and any subsequent re-examination) of public service vehicles and the testing, adjustment and sealing of taximeters.</p>
Environment	The Road Traffic (Permits to Drive Public Service Vehicles) Ordinance, 1986, as amended	<p>Fees to accompany an application for a permit to drive a public service vehicle, granting of a 4 year permit to drive a public service vehicle, renewal of a 4 year permit to drive a public service vehicle and granting or renewal of a permit to drive a public service vehicle for a lesser period (where applicable) on the basis of a per annum fee.</p> <p>Fees for undertaking a driving test and Island knowledge test in relation to obtaining a permit to drive a public service vehicle.</p>

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

The States are asked to decide:-

VIII.- Whether, after consideration of the Report dated 7th June, 2010, of the Policy Council, they are of the opinion:-

1. To amend the Fees, Charges and Penalties (Guernsey) Law, 2007
 - (a) by adding
 - i) the Bar Ordinance, 1949, as amended;
 - ii) the Public Transport Ordinance, 1986, as amended;
 - iii) the Road Traffic (Permits to Drive Public Service Vehicles) Ordinance, 1986, as amendedto Part B of the Schedule;
 - (b) by substituting the words “Commerce and Employment Department” for “Home Department” in relation to the Loi relative aux Ventes Publiques à l’Encan specified in Part A of the Schedule.
2. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

POLICY COUNCIL

REPLACEMENT OF TRADITIONAL CENSUSES WITH A ROLLING ELECTRONIC CENSUS

1. Executive Summary

- 1.1. The quality of any government's decision making will reflect to a significant degree the quality and quantity of information underpinning those decisions. The purpose of this report is to propose a means by which critical information most of which is already in the possession of States Departments (but which is not currently readily accessible) can be brought together electronically under the banner of a Rolling Electronic Census. Such a project will provide a sound basis for future evidence based decision making and will build on and take forward the "E-Citizens Project" originally conceived prior to the 2004 Machinery of Government changes. It will also obviate the need for costly traditional censuses.
- 1.2. The report seeks to rescind the States resolution of April 2005 to hold a traditional census in 2011, which is estimated to cost £500,000-£600,000. Such a census is limited to providing a snapshot on a single day of a limited amount of data about the population. However, the alternative Rolling Electronic Census (which is expected to cost a similar amount to develop but spread over three years) will provide the States with permanent access to up to date population and other key data.
- 1.3. The Policy Council has been advised that as a traditional census would be a one-off service development cost, it will need to be included in the States Strategic Plan (SSP) bid process in September 2010. The Policy Council has therefore made such provision in its SSP bids. The Rolling Electronic Census is however considered to be a capital project, and as such the Policy Council will need to include it in its 2011 budget submission. At this stage provision will be made for both projects, but once the States have resolved which type of census to adopt the redundant bid will be dropped.
- 1.4. If the Rolling Electronic Census is progressed it will become revenue neutral once fully implemented, so that any on-going costs are fully covered by savings made in relevant Departments budgets. It is anticipated that the full business case for the Rolling Electronic Census will go beyond this and deliver savings across the States.
- 1.5. The views of States Departments have been canvassed in preparing this report and the majority view is that no compelling case can be made in favour of the traditional census method.

- 1.6. The Policy Council is recommending the States to move away from traditional censuses, with all their costs and limitations, and developing instead a Rolling Electronic Census (as explained in this report), which is fully compliant with data protection legislation.

2. Introduction

- 2.1. This report is presented to rescind the States Resolution of April 2005 (Billet IV) that a traditional style census be held in 2011, and to replace it with a resolution to develop instead a Rolling Electronic Census.
- 2.2. Whichever option the States resolves to pursue, implementation will only commence once funding has been secured. For the traditional census this would be through the SSP bid process in September 2010, whereas for the Rolling Electronic Census this will be through consideration of the 2011 Budget Report at the December 2010 States meeting.

Previous States resolution

- 2.3. Following a report from Policy Council, in April 2005 (Billet IV), the States resolved:
- That a Guernsey Census shall not be held in 2006.
 - That a Guernsey Census shall be held in 2011.
 - To direct the Treasury and Resources Department to take into account the financial resources required for further research into the development of an electronic citizenship database and other means of gathering and collating relevant population data when recommending to the States the revenue and capital allocations for 2006 and subsequent years.
 - To direct States Departments to contribute to the development of collating population data, including projections of population total, between census years, as required.
- 2.4. It is now over five years since these resolutions were made and before committing resources to undertake a census (likely to cost in the region of £500,000-£600,000) in 2011, it is necessary to review whether this is still the best option.
- 2.5. The general fiscal position of the States has changed considerably since 2005 and the States are curtailing general expenditure through the Financial Transformation Programme. This is particularly pertinent given the requirement to secure funding for a census or any alternate option either via the SSP bidding or the budget processes.

- 2.6. An accurate assessment of population headcount (broken down by age and gender), and of migration and natural increase data is now reported quarterly by the Social Security Department. Collection of this population information was traditionally the key driver for holding a census. In addition, alternative methods are now viable options for collecting other key social data. **The set up costs, spread over a number of years, will be of a similar magnitude to those of holding a single traditional census, but that investment will provide the data on an ongoing rolling basis and also present long term opportunities for efficiency savings.**

3. Relevant issues

- 3.1. The key issues for consideration as to whether to move to a Rolling Electronic Census, and retire the historic census method of data collection include the following.
- 3.2. The Social Security Department has, since 2006, reliably extracted data on the aggregate population level from administrative sources. Before such collection of this data was possible, the only way to obtain it was via a periodic traditional census – which represented a single snapshot count on a given day.
- 3.3. A traditional census has historically been considered to be the most reliable source of population and other demographic data. However, administrative and technological developments in Guernsey since 2001 mean that most of the data can now be collected via alternative more cost effective means. There may be a perception that the population data extracted via a census is more reliable than the data now provided by SSD, but this is not the case. Whereas census data is available as a single snapshot only every five or ten years, the Rolling Electronic Census provides data on a regular basis.
- 3.4. There is now a strong body of opinion that holds the traditional methodology to be dated and that electronic consolidation of existing data would provide a more efficient and cost effective approach. For example, James Hulme, a spokesman for the Local Government Network, a public sector think tank in the UK, is quoted in a Times article from December 2008: saying: “We calculated that the Government could save about £250 million by drawing on records from existing public services, such as GP surgery lists and the electoral roll which is updated each year, rather than every ten years. At a time when the public finances are stretched, this is an ideal way of saving money.”
- 3.5. By design a traditional census gives only a ‘snapshot summary’ and will not provide the information on an ongoing basis. For example data sourced via the last census is now ten years out of date. States departments do not generally consider a traditional census to provide significant value or benefit. The majority view was that a census provided little data of importance to policy making that could not now be sourced by alternative methodologies.

- 3.6. Some jurisdictions such as Finland, Iceland and Singapore have successfully replaced their censuses with robust alternative methodologies based on electronic interrogation of administrative records. While both Jersey and the UK (who do not currently have alternative methods in place for reliably deriving population information) will be conducting a census in 2011, the potential benefits of developing alternative methods have been recognised by both.
- 3.7. Running a traditional census in 2011 will provide updated information. However the cost of doing so is likely to be in the region of £500,000 to £600,000. See Appendix 1 for rough estimated breakdown of costs. An equivalent sum spread over a number of years would fund the development costs of a Rolling Electronic Census. This would result in a significant ongoing improvement to providing the evidence base for key policy decisions. Appendix 2 gives a rough estimated cost for the Rolling Electronic Census.

4. General data requirements

- 4.1. Appendix 3 provides a summary of data considered by States Departments to be of importance (column 1); data collected by the 2001 census (column 2); data which is now collated via more modern methods or methods in the pipeline (column 3); and data that would be collatable via the Rolling Electronic Census presented in this paper (all grouped by data heading).
- 4.2. **States Departments were consulted to determine their level of need for the data traditionally collected by the census. Approximately 70% of the data highlighted as being essential or important is already collected via alternative means or soon will be as a result of recent developments. There is no data type that was collected via the 2001 census that cannot be collected via alternative means.**
- 4.3. Consultation with all States Departments (see Appendix 4) revealed a core list of data which is considered to be “essential” and additional data which was considered useful, but not essential, for strategic planning, policy making and monitoring purposes. Up to date information regarding the key characteristics of individuals living in Guernsey, which can be combined to build a basic population profile, is clearly important to Departments. However, in most cases, the method by which this data is obtained is of less consequence.
- 4.4. Accurate population data, the traditional driver of a census is now available through the Social Security Department (SSD) database. **In view of this, the States Departments do not generally consider a traditional census to be fundamental to their data needs.**
- 4.5. Continuing to extract population data from administrative sources will incur no additional cost. It is estimated that producing this information takes 12 days of Social Security Department staff time per year, in the region of £2,000, which is incorporated within routine expenditure.

- 4.6. However, population by parish and household and household composition are three data sets, which were identified by several Departments as being essential, but which cannot be accurately attained from data sources at present. However, this data could be provided on an ongoing basis by the Rolling Electronic Census approach outlined in this paper.
- 4.7. The Corporate Housing Programme (CHP) data monitoring developments, which will be completed later in 2010, will significantly improve the quality of presentation of the data currently captured on housing. This project is being developed by Policy Council utilising the services of Digimap to provide a spatial (ie geographic) profile of numbers of dwellings, dwelling types, tenures and numbers of bedrooms, all of which are considered important by a number of Departments.
- 4.8. Employment/skills data (additional to the basic employment and unemployment by sector figures which are already reported quarterly in the Labour Market Bulletin) could be obtained by periodic surveys. Alternatively, with frequent surveys aligned with the Rolling Electronic Census approach outlined later, this data could be provided on a consistent and spatially (i.e. geographically) profilable basis.
- 4.9. Supplementing data collected via the Rolling Electronic Census approach, or indeed the traditional census approach, will still be necessary for certain information, in particular for the “other” data listed in the appended table. For example, smaller scale, targeted surveys would likely be a more appropriate vehicle for collecting the more detailed information on well being and community safety.
- 4.10. Similarly, income/expenditure questions are not included in a traditional census. Instead, they are collected via the Household Expenditure Survey, which is also necessary for construction of the spending baskets that underpin the production of official inflation rates. This survey is due to be next undertaken in 2011 (subject to funding approval via the SSP process).
- 4.11. Comprehensive and regularly updated data regarding social and economic topics, such as those highlighted above, are key to monitoring and developing the States Social Policy Plan. Regular, general surveys are an appropriate method for collecting this information in a sufficiently frequent, consistent and robust manner. It is the proposed method for collecting the “survey sample” information referred to throughout this report.
- 4.12. Using money that might otherwise be spent on a census, the Rolling Electronic Census could be developed to make the necessary improvements to the States’ electronic infrastructure.
- 4.13. There are a variety of methods for collecting statistically reliable information. The most appropriate method varies depending on the type of information that is

being collected, the frequency required and time and resources available etc. The options listed above have been assessed with regard to the information that Departments require. Consideration has been given to the pros and cons of each method in relation to the following:

- Robustness of data: i.e. accuracy, frequency and coverage (in relation to that required by Departments).
- Resources required for set up and on an ongoing basis.
- Any reputational implications.

4.14. The Rolling Electronic Census will provide all the information traditionally collected via a census on an ongoing basis but with additional opportunities for efficiency savings.

5. The Electronic Citizens Database

5.1. The model proposed for this electronic census is based on the development of an electronic citizens database. The purpose of an electronic citizens database is to hold a current and accurate register of the citizens of Guernsey. Basic information would be held on each citizen, such as name, date of birth and address. Other data would also be held, enabling the linking (but only sharing where appropriate) of information held by other bodies, with regard to that citizen. In collecting, analysing and using this data personal liberties would not be infringed, data protection principles would be maintained and full public accountability enhanced. **Any system developed would be fully compliant with data protection legislation.**

5.2. Some years ago the States began to assemble the e-citizens project. Significant progress was made towards the concept and prior to the 2004 Machinery of Government changes a small task force was led politically by former Deputy Andrew Sauvarin. Digimap Limited which has developed a key Government information data platform, had prepared a proposal for taking the e-citizen project through to completion. However, all this came together at the time of the change of the Machinery of Government. Since then, little progress has been made and such monies that were allocated within the Policy Council budget to progress this have been reallocated.

5.3. In the meantime the Digimap system has evolved and developed and has delivered a Corporate Address File (CAF) project which is currently being used by a number of States Departments (including the Housing Department). The Social Security Department has developed a method for deriving a headcount of people living in Guernsey from their records and additional information from other Departments. The next major stage of the project would involve linking the information used to derive the headcount by Social Security to the addresses on the CAF (within an appropriate data protection framework), which would

provide the basis for a citizen register i.e. a list of all the people living in Guernsey and their addresses.

- 5.4. Other Departments and utility providers, doctors' surgeries etc. would then be encouraged to link into the system, again, within a fully compliant data protection framework that only allows them to access the information for which they have permission. However, the framework, would also provide the facility for Departments or other bodies to share information where the appropriate permissions had been granted e.g. changes of address or more specific information, such as next of kin or allergy information being shared between doctors' surgeries and the hospital in the case of emergency admissions. As part of the preparation for this report the possibility of re-engaging with the project has been raised with a number of Departments.
- 5.5. A purpose made system such as this will provide an accurate way of monitoring the population. Accuracy of information will be maintained, since it will benefit Islanders to keep their own details up to date, for example, quickly notifying a utility provider of a change of address in order to be billed correctly. A similar system successfully operates in Finland, where the accuracy of electronic records was verified in the early stages by comparison with results from a "survey" of a sample of the population.
- 5.6. Once established, this system would provide population statistics "at the push of a button" and would enable more detailed population data to be extracted from existing data sources without the need to collect additional information from the public. The States would then be able to report anonymised population statistics drawn from the central core.
- 5.7. The creation of a central electronic register of citizens by current address, which would be updated (automatically wherever possible) by all participants, would enable the data to be analysed anonymously to give a greater degree of spatial profiling of households. In addition:
 - The system would complement plans already being discussed in relation to other States projects, for example a possible Population Management Regime, in that it could identify and map the profile of various households of different residential status and form the basis of an electronic population register or electoral roll.
 - Efficiency improvements would be gained by participating Departments via the updating and accuracy of individuals' address data held. Reduced duplication and efficiency savings would be made across States Departments, via the sharing of up to date address information on individuals. By using the Corporate Address File, address details provided could be verified, which would also improve the accuracy of information held.

- The spine of the database could be used to undertake statistically representative sampling for surveys conducted at regular intervals (e.g. covering fear of crime, educational qualification levels, disabilities, caring, household needs etc.).
- It could also be used to produce an electoral roll, by the extraction of a list of the people in each parish or electoral district, who are eligible to vote i.e. the correct age and have been resident on the Island for the qualifying period.
- With the support of all Departments, the system may result in additional business benefits. The SSD anticipates a reduced scope for fraud in some areas by ensuring a consistency of data between Departments. It could also facilitate the identification of people who live on the Island, but have not registered with the Social Security Department (and perhaps would not make themselves known on a census survey form either), for example, if they were to require medical attention, register a vehicle etc. Again all of this would be developed to ensure full compliance with data protection legislation.
- The project would also constitute a significant step towards the establishment of a future population register or collaborative IT platform, between States Departments.

5.8. In consultation, several Departments considered up to date population by parish statistics to be essential or highly important. However, at present the most recent data dates from 2001. A Rolling Electronic Census approach such as the above could provide this information on an ongoing basis. Appendix 5 below shows which information a system such as this, together with regular surveys, could provide, based on the proviso that all States bodies link into the system. Exclamation marks highlight data that is thought to be of considerable importance by Departments.

6. Advantages of the Rolling Electronic Census over the traditional census approach

- A central citizens database would provide spatial demographic (e.g. population by parish) and household profiles of the complete population on an ongoing 'live' basis.
- It could reduce duplication and provide efficiency savings across States Departments¹ via the sharing of up to date address information on individuals.

¹ It has been recognised that a separate project to combine the data systems of the Income Tax and Social Security Departments has been identified. The e-citizens project is not an alternative to this.

- Survey data could be cross referenced against accurate and up to date information on the whole population to ensure its representativeness.
- It could form the basis of an electronic population register.
- An electoral roll could be extracted from the database with minimal effort.

7. Disadvantages of the Rolling Electronic Census approach over a traditional census

- The technically complex nature of, what is essentially an IT project, could result in it taking a relatively long time to develop the fully functional (and data protection compliant) system if the appropriate project management were not applied. Clearly whilst indicative costs have been provided, only a full business case would provide the necessary complete picture as to total capital and revenue costs of the project.
- For the system to provide accurate information on an ongoing basis, the information contained in the database would need ongoing maintenance.
- If only a small proportion of Departments and/or utility and service providers linked in to the system, the optimal benefits could not be achieved.

8. Costs and business case

- 8.1. Provisional costs for the project have been estimated (see Appendix 2). However, these are of necessity at this stage provisional and will need to be subject to evaluation as part of a full business case preparation. Total indicative set up costs are estimated as around £600,000: comprising costs of £150,000 to develop the central core database; approximately £150,000 to link the SSD database to the core and approximately £250,000 to link in five other key States databases to the core (cost estimates vary significantly depending on the particular systems²), together with contingencies at 10%.
- 8.2. Ongoing costs are estimated at £60,000 per annum for software licensing, support, general maintenance, updates and quality checks. However, this sum would be financed from existing Departmental budgets through savings made – so the Rolling Electronic Census will be revenue neutral once fully

² This estimate is based on it costing an average of £50,000 each to link five key additional States databases (Income Tax, Housing, Health and Social Services, Education and Home) to the core system. The top end of the range of estimates has been used for this purpose. It should be noted that the intention would not be to link them all in at once during the initial set up, but at convenient points, staggered over the following few years.

implemented. In fact it should deliver savings over and above this level of expenditure.

- 8.3. Subject to the States resolving in favour of this option, this project could form a potential additional candidate to the Value for Money workstream of the Financial Transformation Programme as part of the full business case, will be a clear quantification of the likely financial benefits that would result from the project in addition to the benefits outlined in detail above.
- 8.4. Possible areas where savings could be achieved by the States include the following:
- The Home Department is currently preparing a States report proposing a method to produce the 2012 electoral roll, which will cost £200,000. An e-citizens database (once established) could significantly assist in the production of the electoral roll every four years, with minimal effort or costs.
 - Currently hundreds of letters are returned to the SSD each quarter, as a result of persons having moved from the address held on record. In total, the SSD processes approximately 250 changes to address data per week. There is potential for savings on preparation, cost of stationery/postage and staff time tracing a valid address and the costs of reissuing correspondence, particularly where up to date details are already known to other States Departments. However, metrics of the time spent on tracing and updating personal details (responsibility for which is divided across many staff across the organisation) are not recorded.
 - Other Departments and service providers, including Income Tax and Driver and Vehicle Licensing, who correspond with citizens by letter could potentially also benefit from similar efficiencies in this area.

The Traditional Census Approach

- 8.5. The traditional census approach is an established, if dated, method by which a snapshot of the population level and characteristics can be captured. It maintains consistency with data collected via previous censuses and could provide a like for like comparison of migration, household composition, marital status and nationality. However, it is a resource hungry, costly method, which will need to be repeated or replaced five or ten years from now. Its value is very limited compared to the benefits that can be derived from a Rolling Electronic Census, based on an e-citizen database.
- 8.6. Previous Guernsey censuses have involved households filling out and returning a paper questionnaire³ either by post or via an enumerator, who visits the house.

³ A copy of the 2001 census questionnaire is contained within the census report, which can be accessed via www.gov.gg/population.

This is a very labour intensive task, requiring the appointment and training of over 100 temporary staff.

- 8.7. It would take approximately sixteen months to process and publish in full the data collected (based on the 2001 timescales) via a traditional census.
- 8.8. The unique benefit of a traditional census is that it covers (or attempts to cover) everyone on the Island at the same time and asks them all the same questions. Appendix 6 shows which information such a census (combined with smaller scale surveys in intervening years) would provide. Exclamation marks highlight data that is believed to be of considerable importance by Departments.
- 8.9. Most jurisdictions do conduct a five or ten yearly traditional census, but many also have electronic population registers. Iceland, Finland and Singapore now rely solely on an electronic register, rather than traditional censuses. As noted previously, the UK and Jersey will be conducting traditional censuses in 2011, but are also looking into the possibilities for developing electronic systems to replace their censuses after 2011.
- 8.10. Advantages of a traditional census would be:
 - Survey data could be cross referenced against the 2011 snapshot of the whole population to assess its representativeness.
 - Data collected would be consistent with data from previous censuses.
 - It is a tried and tested method, thought to produce reliable, credible and internationally comparable results.
 - Data on topics such as educational qualification levels and disabilities can be collected from the whole population, rather than a sample and should therefore be more reliable.
- 8.11. Disadvantages would be:
 - Data only provides a snapshot of the population on one particular day.
 - Collecting the information is resource heavy.
 - There is considerable overlap between population data collected by census and that already derived from administrative sources (which on the one hand provides an opportunity to verify the accuracy of data from administrative sources, but on the other hand, brings into question the justification for applying a large amount of resources to this option).
 - The cost of one census is estimated to be up to £600,000 (see Appendix 1). This estimate is based on the cost of the previous census plus an allowance for inflation and discussions with the Jersey Statistics Unit.

The census would need to be repeated (or replaced by an alternative) in 2021 at the latest.

- There are unlikely to be any on-going cost savings for the States resulting from running a 2011 traditional census.

8.12. Additional benefits include:

- Census data can be (and currently is) used as a reference on which to base samples for surveys conducted in intercensal years. However, as previously mentioned, this method is less likely to result in representative survey results as it gets further from the census date.
- The census could be used to quality check the population estimates derived by the Social Security Department, but it should be noted that due to the difference “census” dates and methodologies used, the two sets of data will never be truly comparable.
- Census data could potentially be used to populate a database, which later forms the basis of an electronic population register or electoral roll. However, it should be noted that since the census provides only snapshot data, it would then need to be verified or updated in order to be accurate at a later date.

9. Funding

- 9.1. As explained earlier in this report funding will need to be secured for either a traditional census or a Rolling Electronic Census before implementation can begin. For the traditional census this requires a “New Service Development” bid of £600,000 in the SSP process. The Rolling Electronic Census would require a Policy Council capital allocation of £600,000 to be approved in the 2011 Budget Report. Once the States have resolved which type of census to pursue, the Policy Council will make the appropriate resource bids.

10. Legislation

- 10.1. An electronic citizens register would operate within, and be fully compliant with, the existing Data Protection (Bailiwick of Guernsey) Law, 2001. However, running a 2011 census would require an ordinance to be enacted. The 2011 census ordinance has already been drafted by the Law Officers and is at a stage where it could readily be finalised if required. It is estimated that it would take approximately three months for the legislation to be progressed from the finalisation stage to enactment.

11. Conclusion

- 11.1. This paper highlights the current issues relating to the collection of census data and explores the options for collecting that information on an ongoing basis. Related projects have been taken into account in order to weigh up the overall

merits of potential alternatives to inform any States decision on whether to hold a traditional census in 2011, or move to a Rolling Electronic Census.

- 11.2. The study found that States Departments generally considered a traditional census per se to have little substantial value to data provision for their policy making purposes. Developments since the time of the 2005 States resolution to hold a traditional census in 2011 are such that aggregate population data is now extracted from the SSD database and published. However, it is important to note that there are a few data areas where only sampling (i.e. not whole island) data could be provided as an alternative to traditional census data. These are mainly social policy areas.
- 11.3. The assessment therefore leads to a conclusion that it is difficult to find a compelling case, in terms of value for money, to justify funding of up to £600,000 for a traditional census.
- 11.4. A similar sum, the expenditure of which could be phased over several years, would enable the development on an electronic citizens database, which would form the core of a Rolling Electronic Census. This would provide a permanent improvement in key data available to the States on an ongoing basis for policy making. It would also provide significant efficiency benefits to participating users of the system. This offers better value for money than holding a traditional “snapshot” census.
- 11.5. There are also likely financial savings to be gained that would provide additional support for the Rolling Electronic Census approach. These would be identified by the preparation of a full business case. The project could be an ideal candidate for the Value for Money workstream of the States Financial Transformation Programme.
- 11.6. Irrespective of which, if either, these two approaches are progressed, it needs to be noted that supplemental regular surveys are necessary.

12. Recommendation

- 12.1. The Policy Council recommends the States:
 - (a) To rescind Resolution III of 27 April 2005 (on Billet d’État IV of 2005) to hold a census in 2011;
 - (b) To direct the Policy Council to progress the development of a Rolling Electronic Census as set out in this Report;
 - (c) To delegate authority to the Treasury and Resources Department to approve a capital vote to develop a Rolling Electronic Census, subject to consideration of a full business case; and

- (d) To note the capital funding required for the development of a Rolling Electronic Census is subject to the States approving a capital allocation for the Policy Council as part of the 2011 Budget Report.

L S Trott
Chief Minister

24th June 2010

Appendix 1

Estimated Costs of a Traditional Census in 2011

The range of costs for a traditional census, based on the 2006 figures uplifted by inflation are £469,000-£555,500. However, the 2006 figures were based on there being sufficient capacity for existing Policy & Research Unit staff to manage the project, train enumerators etc. This is no longer the case (unless other high priority fiscal and economic work is shelved), so these staffing costs need to be incorporated in the overall costs for a 2011 census. **The overall estimated total figures are therefore in the range £500,000- £600,000.**

2011 Estimated Expenditure

	Budget Item	Estimated Minimum Cost	Estimated Maximum Cost
1.	Development of a Census Form tracking system	£58,000	£69,000
2.	Printing of forms and stationery	£35,000	£35,000
3.	Staffing Costs	£173,000	£173,000
4.	Data Entry and Analysis	£92,500	£92,500
5.	Call Centre, Postage, Census Office Administration	£40,500	£40,500
6.	Publicity Campaign	£29,000	£40,500
7.	Census Pilot	£6,000	£12,000
8.	Publication and Dissemination of Results	£35,000	£35,000
9.	Office Accommodation (if required)	0	£58,000
	Estimated Total Cost	£469,000	£555,500

Appendix 2: Estimated Costs for Rolling Electronic Census

Development of Central Core Database	
- Software development and training	100,000
- Address matching	15,000
- Infrastructure costs	10,000
- Software maintenance and support	20,000
- Internal costs	5,000
	£150,000
Departmental Development (linking databases etc)	
SSD	150,000
Home Dept	50,000
Education Dept	50,000
HSSD	50,000
Housing Dept	50,000
Income Tax	50,000
	£400,000
Contingency 10%	
	£55,000
TOTAL	£605,000

Appendix 3: Data considered important by States departments

Data		(1) Data Important	(2) Collected in 2001 census	(3) Currently collated	(4) Collatable by Rolling Electronic Census
Population	Headcount	Yes	Yes	Yes	Yes
	Immigration	Yes	Yes	Yes	Yes
	Emigration	Yes	Yes	Yes	Yes
	Births	Yes	Yes	Yes	Yes
	Deaths	Yes	Yes	Yes	Yes
	Age and gender breakdown	Yes	Yes	Yes	Yes
	Permanence of residence	No?	Yes	No	Yes
	Nationality	No	Yes	No	Yes
	Marital status	No	Yes	No	Yes
	Household composition	Yes	Yes	No	Yes
	Location (parish, postcode etc)	Yes	Yes	No	Yes
Housing	Number of dwellings	Yes	Yes	Yes	Yes
	Number of people accommodated per household	Yes	Yes	No	Yes
	Number of bedrooms	Yes	Yes	Yes	Yes
	Type e.g. bungalow, flat	No		Yes	Yes
	Tenure e.g. rented, owner occupier	Yes	Yes	Yes	Yes
	Quality standards e.g. central heating, insulation	No	No	No	Yes
	Environmental standards	No	No	No	Yes

Data		(1) Data Important	(2) Collected in 2001 census	(3) Currently collated	(4) Collatable by Rolling Electronic Census
Housing continued	Other e.g. computers, fire alarms	No	No	No	Yes
	Method of foul water disposal	No	No	No	Yes
	Becoming a householder	No	No	No	Yes
Employment/ Skills	Employment status	Yes	Yes	Yes	Yes
	Full time / part time	Yes	Yes	No	Yes
	Qualifications attained	Yes	Yes	No	Yes
	Recent / current training	No	No	No	Yes
Income/ expenditure	Earnings	Yes		Yes	Yes
	Pensions	No	Yes	No	Yes
	Household expenditure	Yes	No	Yes	Yes
Other	Long term illness/ disability	Yes	Yes	No	Yes
	Carers	No	Yes	No	Yes
	Childcare	No	No	Yes	Yes
	Sense of well being	No	No	No	Yes
	Languages e.g. Guernsey French	No	Yes	No	Yes
	Self sufficiency	No	No	No	Yes
	Travel to work	No	Yes	No	Yes
	Community Safety	Yes	No	Yes	Yes

Appendix 4: Departmental responses to traditional census questionnaire

Department	Specific data needs	Should this information be collected via a census?
Commerce and Employment	None specified	N/A
Culture and Leisure	None essential, but languages information useful	Only if there is no other way to collect data
Education	Highly useful (when up to date): education/qualification levels	No comment re specific method
Environment	None essential, however, some would be useful e.g. car parking, energy efficiency, journeys to work	Not essential
Health and Social Services	Essential – giving and receiving care, disability	Yes, this is seen as the only option for collecting this information
Home	Households, persons per household and household type very useful (and other information re e.g. crime, smoke alarms would also be useful, but methods other than census may be more appropriate	Yes, unless there is a better method
Housing	None essential, but information on carers would be useful	Only if there is no other way to collect data (however, on a political level it was felt that a census should be run for credibility, transparency etc.)
Public Services	Population by parish is highly useful (and it would be nice to have information on foul water disposal method)	Only if there is no other way to collect data
Policy Council	Number of households, household composition and tenure and population by parish essential for survey weighting, other information useful (including nationality, qualification levels)	The information should be collected via the most reliable method
Social Security	None essential, but information on disability and pensions would be useful	Not in order to collect population numbers
Treasury and Resources	None	N/A

Appendix 5: Information available from Rolling Electronic Census (with supplementary surveys)

Data traditionally collected by census			Data available via Rolling Electronic Census	Coverage
Population	Headcount	!	Yes	Whole Island, quarterly
	Immigration	!	Yes	Whole Island, quarterly
	Emigration	!	Yes	Whole Island, quarterly
	Births	!	Yes	Whole Island, quarterly
	Deaths	!	Yes	Whole Island, quarterly
	Age and gender breakdown	!	Yes	Whole Island, quarterly
	Permanence of residence		Yes (from 2012)	Whole Island, annually
	Nationality		Yes (from 2012)	
	Marital status		Yes (from 2012)	Whole Island, annually
	Household composition	!	Yes (from 2012)	Whole Island, annually
	Location (parish, postcode etc)	!	Yes	Whole Island, annually
Housing	Number of dwellings	!	Yes (via CHP)	Whole Island, annually
	Number of people accommodation per household	!	Yes	Whole Island, annually
	Number of bedrooms	!	Yes (via CHP)	Around 80% coverage initially, being developed to cover whole Island, annually
	Type e.g. bungalow, flat		Yes (via CHP)	Whole Island annually
	Tenure e.g. rented, owner occupier	!	Yes (via CHP)	Around 80% coverage initially
	Quality standards e.g. central heating, insulation		Yes	Survey sample
	Environmental standards		Yes	Survey sample
	Other e.g. computers, fire alarms		Yes	Survey sample

Data traditionally collected by census			Data available via Rolling Electronic Census	Coverage
Housing continued	Method of foul water disposal		Yes	Survey sample
	Becoming a householder		Yes	Survey sample
Employment/ Skills	Employment status	!	Yes (but not as a sub-set of population)	Whole Island, quarterly
	Full time/part time	!	Yes	Survey sample
	Qualifications attained	!	Yes	Survey sample
	Recent/current training		Yes	Survey sample
Income/ expenditure	Earnings	!	Yes	Survey sample
	Pensions		Yes	Survey sample
	Household expenditure	!	Yes	Survey sample
Other	Long term illness/ disability	!	Yes	Survey sample
	Carers		Yes	Survey sample
	Childcare		Yes	Survey sample
	Sense of well being		Yes	Survey sample
	Languages e.g. Guernsey French		Yes	Survey sample
	Self sufficiency		Yes	Survey sample
	Travel to work		Yes	Survey sample
	Community Safety	!	Yes	Survey sample

Appendix 6: Information available from traditional census (with supplementary surveys)

Data traditionally collected by census		Data available via this option		Coverage
Population	Headcount	!	Yes	Whole Island, quarterly, plus April 2011 snapshot
	Immigration	!	Yes	Whole Island, quarterly, plus April 2011 snapshot
	Emigration	!	Yes	Whole Island, quarterly, plus April 2011 snapshot
	Births	!	Yes	Whole Island, quarterly, plus April 2011 snapshot
	Deaths	!	Yes	Whole Island, quarterly, plus April 2011 snapshot
	Age and gender breakdown	!	Yes	Whole Island, quarterly, plus April 2011 snapshot
	Permanence of residence		Yes	Whole Island, 2011 snapshot
	Nationality		Yes	Whole Island, 2011 snapshot
	Marital status		Yes	Whole Island, 2011 snapshot
	Household composition	!	Yes	Whole Island, 2011 snapshot
	Location (parish, postcode etc)	!	Yes	Whole Island, 2011 snapshot
Housing	Number of dwellings	!	Yes (via CHP)	Whole Island, annually, plus April 2011 snapshot
	Number of people accommodated per household	!	Yes	Whole Island, 2011 snapshot
	Number of bedrooms	!	Yes (via CHP)	Around 80% coverage initially, being developed to cover whole Island, annually
	Type e.g. bungalow, flat		Yes (via CHP)	Whole Island, annually
	Tenure e.g. rented, owner occupier	!	Yes (via CHP)	Around 80% coverage initially, being developed to cover whole Island, annually
	Quality standards e.g. central heating, insulation		Yes	Survey sample (this would be too detailed a topic for the census)

Data traditionally collected by census		Data available via this option	Coverage	
Housing continued	Environmental standards		Yes	Survey sample (this would be too detailed a topic for the census)
	Other e.g. computers, fire alarms		Yes	Whole Island, 2011 snapshot, plus survey sample in following years
	Method of foul water disposal		Yes	Whole Island, 2011 snapshot, plus survey sample in following years
	Becoming a householder		Yes	Survey sample (this would be too detailed a topic for the census)
Employment/ Skills	Employment status	!	Yes	Whole Island, quarterly, plus April 2011 snapshot
	Full time/part time	!	Yes	Whole Island, 2011 snapshot, plus survey sample in following years
	Qualifications attained	!	Yes	Whole Island, 2011 snapshot, plus survey sample in following years
	Recent/current training		Yes	Whole Island, 2011 snapshot, plus survey sample in following years
Income/ expenditure	Earnings	!	Yes	Survey sample (studies in the UK have shown that asking for earnings information has an adverse effect on survey compliance, so it is not considered to be an appropriate topic for the census)
	Pensions		Yes	Whole Island, 2011 snapshot, plus survey sample in following years
	Household expenditure	!	Yes	Survey sample (this would be too detailed a topic for the census)

Data traditionally collected by census			Data available via this option	Coverage
Other	Long term illness/ disability	!	Yes	Whole Island, 2011 snapshot, plus survey sample in following years
	Carers		Yes	Whole Island, 2011 snapshot, plus survey sample in following years
	Childcare		Yes	Whole Island, 2011 snapshot, plus more detail via survey sample
	Sense of well being		Yes	Survey sample (this would be too detailed a topic for the census)
	Languages e.g. Guernsey French		Yes	Whole Island, 2011 snapshot, plus survey sample in following years
	Self sufficiency		Yes	Survey sample (this would be too detailed a topic for the census)
	Travel to work		Yes	Whole Island, 2011 snapshot, plus survey sample in following years
	Community Safety	!	Yes	Survey sample (this would be too detailed a topic for the census)

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

The States are asked to decide:-

IX.- Whether, after consideration of the Report dated 24th June, 2010, of the Policy Council, they are of the opinion:-

1. To rescind their Resolution III of 27 April 2005 (on Billet d'État IV of 2005) to hold a census in 2011.
2. To direct the Policy Council to progress the development of a Rolling Electronic Census as set out in that Report.
3. To delegate authority to the Treasury and Resources Department to approve a capital vote to develop a Rolling Electronic Census, subject to consideration of a full business case.
4. To note that the capital funding required for the development of a Rolling Electronic Census is subject to the States approving a capital allocation for the Policy Council as part of the 2011 Budget Report.

STATES HOUSING DEPARTMENT

HOUSING (CONTROL OF OCCUPATION) (GUERNSEY) LAW 1994 – VARIATION TO THE HOUSING REGISTER

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

25th May 2010

Dear Sir

Executive Summary

The purpose of this report is to seek approval for the preparation of an Ordinance (under section 52 of the Housing (Control of Occupation) (Guernsey) Law, 1994) to amend the Housing Register to facilitate the movement of three ‘Open Market’ inscriptions on the site known as ‘Mont Havelet’, George Road, St Peter Port, from three existing dwellings to three new additional dwellings to be built on that same site.

Provisions of the Law

Since the commencement of the Housing (Control of Occupation) (Guernsey) Law, 1982, the Housing Register has been closed for new inscriptions by the Housing Department. Section 30 of the current Law refers.

However, section 52 of the Housing (Control of Occupation) (Guernsey) Law, 1994, provides that the States may, by Ordinance, permit the Department to inscribe any dwelling in Part A or Part B of the Housing Register.

It should be noted that under the provisions of section 33 of the Housing (Control of Occupation) (Guernsey) Law, 1994, any dwelling which is deleted from the Register at the request of the owner cannot thereafter be re-inscribed in the Housing Register. Such a dwelling therefore becomes a permanent ‘Local Market’ dwelling.

Current Proposals

Mont Havelet is a site in George Road and, at the present time, there are five residential units (apartments) on this site, all of which are inscribed in the Housing Register (i.e. they are all ‘Open Market’). There is scope to create further residential units on this site

and detailed planning approval has been granted for the construction of three further residential units (apartments).

In February 2010, the Housing Department considered a request to ‘transfer’ three of the inscriptions from existing dwellings on this site to three new, yet to be built, dwellings on the same site.

Had it been the owner’s intention to demolish the existing five dwellings and create eight new dwellings, it would have been possible to assign the inscriptions to the five dwellings of his choice under the provisions of section 31 of the Housing (Control of Occupation) (Guernsey) Law, 1994, without the need of an Ordinance. However, as the proposals seek to ‘transfer’ the inscriptions without demolishing the current dwellings, the ‘transfer’ can only be achieved by taking a proposal to the States of Deliberation to seek permission to inscribe the new dwellings under the provisions of section 52 of the Law. (NB: This type of rationalisation of inscriptions all within one enclos has been previously agreed by the States of Deliberation on several occasions, most recently in 2007¹.)

The Department has received confirmation that the owner of the site has obtained the necessary permissions relating to the construction of the new dwellings. It has also received the necessary confirmation that, at the appropriate time, three of the existing ‘Open Market’ apartments on this site will be vacated in order that they might be deleted from the Housing Register in order that, if the States is minded to agree to the recommendations of this report, those three inscriptions can be ‘transferred’ by way of an Ordinance, to the three new dwellings.

It should be noted that if this request is approved, the net effect on the Island’s housing stock will be neutral: the site will still only contain the five ‘Open Market’ inscriptions that exist at the present time, the only difference will be that three of the inscriptions will belong to different, new, apartments on this site.

Consultation with the Law Officers of the Crown

The contents of this report have been discussed and agreed with the Law Officers of the Crown.

Recommendations

In the light of all of the above, the Housing Department recommends that each of the three proposed apartments to be constructed on the site known as ‘Mont Havelet’, George Road, St Peter Port, should be individually inscribed in Part A of the Housing Register.

The Housing Department recommends that the States agree that an Ordinance be prepared, in accordance with section 52 of the Housing (Control of Occupation)

¹ Billet D’Etat XIV 2007 page 1062 refers.

(Guernsey) Law, 1994, to permit the Department to inscribe these three apartments in Part A of the Housing Register subject to application being made by the owners within 6 months from the commencement date of the Ordinance, and subject to the owner first deleting from Part A of the Housing Register three of the five existing 'Open Market' dwellings on that same site.

Yours faithfully

D Jones
Minister

(NB The Policy Council has no comment on the proposals.)

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

The States are asked to decide:-

X.- Whether, after consideration of the Report dated 25th May, 2010, of the Housing Department, they are of the opinion:-

1. That each of the three proposed apartments to be constructed on the site known as 'Mont Havelet', George Road, St Peter Port shall be individually inscribed in Part A of the Housing Register.
2. To direct that an Ordinance be prepared, in accordance with section 52 of the Housing (Control of Occupation) (Guernsey) Law, 1994, to permit the Department to inscribe these three Apartments in Part A of the Housing Register subject to application being made by the owners within 6 months from the commencement date of the Ordinance and subject to the owner first deleting from Part A of the Housing Register three of the five existing 'Open Market' dwellings on that same site.
3. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

CULTURE AND LEISURE DEPARTMENT

SAFEGUARDING GUERNSEY'S HERITAGE ASSETS

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

25th May 2010

Dear Sir

EXECUTIVE SUMMARY

At its meeting of 11 February 2009 the States debated the Public Accounts Committee's (PAC) report on Safeguarding Guernsey's Heritage Assets and agreed to direct the Culture and Leisure Department to return to the States with '*....clear and costed proposals on the future direction and strategy for safeguarding, storage, display and accessibility of the heritage assets of the Island....*'. In June 2009 the States was advised that the Report would be delayed until the States had had the opportunity to debate the Capital Prioritisation Programme and also the States Strategic Plan which included the Revenue Prioritisation programme. Both of these programmes provided the States with direction as to the funding of its budgeting priorities. This Report therefore takes account of that direction.

The Report also takes account of the National Audit Office (NAO) report "Safeguarding Guernsey's Heritage Assets", PAC's comments on that report and on statements made by States members during the debate. States members have also made their views known at the presentation on the pressing need for a Museum store and during various visits to St John's Street store.

The areas of concern identified by the NAO Report and addressed in this Report by way of recommendations for action and identification of the resources required are:

1. The Need for an overarching Heritage Strategy for Guernsey.
2. Improving Storage of Museum Objects.
3. The Care and Conservation of Historic Sites.
4. Rationalising Objects in Museum Collections.

5. Protecting Objects in Museum Care.
6. Addressing the Museum Documentation Backlog.
7. Obtaining Valuation of Museum Collections.
8. Improving Public Access to Collections.
9. Exploiting Heritage Assets.

The NAO Report further stated that Jersey and the Isle of Man, have set up independent organisations, funded by government grant and other sources, to be responsible for island assets with the latter receiving much accolade internationally. It also recommended this as the way forward for Guernsey while recognising and noting the higher level of resources provided by government to those organisations.

The Culture and Leisure Department advised the States that it would be happy to investigate the feasibility of creating a trust or commission in Guernsey once new storage facilities have been provided. This proposal was discussed by the States and the idea of creating a Trust put on hold pending resolution of the storage issues highlighted by the NAO Report.

The consistent thread in the many internal and external reports on the Museums Service since the early 1990's is that it is poorly housed and under-resourced by the States. The Museums Service has a brief wider than its current level of resources can support to the required standard. It has carried out its public-facing role very well, as seen in the quality of exhibitions and educational work, however the more routine behind-the-scenes work has not had the resources applied that it requires. It follows that with an unchanged or declining real level of resources it can only improve performance in one area if another is neglected. A single major project in any one year, such as the refurbishment of the Militia Museum in 2009, puts a considerable strain on its limited resources.

Museum staff are not able to work in an efficient manner, nor make most efficient use of space when they continue to occupy sub-standard premises and there is continued uncertainty and frustration about the future. Options that have been considered include building or leasing a new store. A proposal for the construction of a new store was rejected in the recent Capital Prioritisation Programme. Both options, building or leasing, are a possibility at some future date should a suitable site or building become available and have not been discounted in the long term.

In the short to medium term resolving the storage issue by consolidating operations on the existing St John's St site, as proposed in this Report, means improvements in working practices, cost benefits and property efficiencies to the States as decisions can be made on the resale or re-use of sites such as Hermes House, Gibauderie Yard, and the Longfield School site (proposed site for a new store).

States members should note the severe financial crisis that struck Jersey Heritage Trust during 2009 which cites long-term underfunding and lack of capital investment as the reasons for this, together with a declining number of tourists. The Trust has had to implement draconian cut backs in staffing and services in 2010. This is on a budget three times greater than that of the Guernsey Museums Service

The areas of concern identified in the NAO Report cover the core responsibilities of the Museums Service. A number can and will be addressed within existing resources over an extended timescale with a limited number being achievable each year. However, in order to accelerate or shorten the timescale, as suggested by the NAO, requires an improvement in the level of resources that are made available; this Report proposes pragmatic and practical proposals for the States to consider in order to achieve that aim.

THE NAO REPORT AREAS OF CONCERN

RECOMMENDATIONS AND RESOURCE IMPLICATIONS

1 The Need for an overarching Heritage Strategy for Guernsey

Recommendation 1 of the NAO report proposes that the Culture and Leisure Department “*take a much stronger lead on the management of the Island’s Heritage assets.*” Recommendation 4 is that a “*single overarching strategy be developed for the management of public sector heritage assets on the island.*”

The current structure of heritage care in Guernsey is in part historic and in part a result of the Machinery of Government changes in 2004. This has resulted in responsibility for heritage being shared between Environment, Treasury and Resources, Policy Council (Archives Service) as well as Culture and Leisure. A number of non-States bodies also play important roles in Guernsey’s Heritage.

A coherent strategy could be achieved by:

- a) The significant exchange of responsibility and budgets between Departments; or
- b) The unification of heritage care within a single public sector body (possibly Culture and Leisure); or
- c) The formation of a heritage trust with a broad enough remit and sufficient funding to be an effective guardian of the islands’ heritage.

Culture and Leisure could advance one of these options by further changes to the Machinery of Government when this is next reviewed.

Appendix I therefore summarises the current position rather than making proposals. Separate strategies exist in particular areas of heritage care. There is both formal and informal inter-department working and there is scope to improve and extend this.

Recommendation and Resources	1. The Need for an overarching Heritage Strategy for Guernsey
Concern	The division of responsibilities in Guernsey has led to fragmentation in the management of heritage assets and inhibited the development of a co-ordinated approach. This division of responsibilities has increased over recent years following the machinery of government changes in May 2004.
Background	<p>Recommendation 1 of the NAO report proposes that the Culture and Leisure Department “take a much stronger lead on the management of the Island’s Heritage assets.” Recommendation 4 is that a “single overarching strategy be developed for the management of public sector heritage assets on the island.”</p> <p>The current structure of care in Guernsey is in part historic and in part a result of the Machinery of Government changes in 2004 which spread prime responsibility between Environment, Treasury and Resources and Culture and Leisure. Separate strategies exist in particular areas of heritage care. There is both formal and informal inter-department working and there is scope to improve and extend this.</p>
Recommendation	Culture and Leisure could advance one of these options by further changes to the Machinery of Government when this is next reviewed.
Benefit	Clearer path for the future of Guernsey Heritage.
Consequence of inaction	Continued fragmentation, duplication, inefficiency.
Risk	Culture and Leisure does not have the authority or the resources to lead in the manner proposed by NAO.
Timescale	On hold.
Resources	N/A.

2. Improving Storage of Museum Objects

A new or improved museum store is the prerequisite for improving the storage of museum objects, improving public access, improving health and safety, improving staff efficiency and successfully completing projects such as the documentation backlog. The need for this has been identified in several papers since the early 1990’s (NAO Recommendations 5, 9, 12, 13, 15).

All these NAO recommendations are effectively in limbo until the accommodation issue is decided. The Museums Service can pick at some of the problems but not in a coherent way. A new or improved store will be a catalyst for change and for clearing many of these issues, but will also absorb the efforts of the staff of the Museum for at least a year.

Three options were developed for consideration.

Option A. Museum Collection Centre (MCC), Longfield

A site was identified at Longfield in late 2006 to construct a purpose-built museum store and adjacent building for staff accommodation and workshops. The document 'Preserving Guernsey's National Treasures' set out the case for this building and the outline plans. A preliminary cost of £5 million has been put on the project; this is a 2008 estimate which will increase in line with local building costs. In mitigation, it will permit disposal of States property worth possibly £3 to £4 million, notably Grange House, St John's Street, the Police Garage, Gibauderie Yard, Hermes House and Baubigny Arsenal, benefitting the public purse. In 2009 this was rated a high "Priority 2" by Treasury and Resources, but was not supported in the 2009 Capital Prioritisation Programme agreed by the States. This means that the funding for this option is not available until the next round of capital prioritisation.

Option B. Museum Collection Centre, New Site

The MCC could be constructed at a different site to Longfield. This would permit phased construction of facilities in line with the availability of capital and leave a significant footprint free for future expansion. As with Option A, however, the funding would not be available until the next round of capital prioritisation.

It would also be possible to lease suitable premises which are within the correct zoning from a planning perspective. Dependent upon their condition these may need investment in their infrastructure as well as rental payments. This remains an option for the medium to long term, however, should property staff at Treasury and Resources identify suitable property.

Option C. Development of the Current Museums Accommodation and Storage

This is the Museum's preferred option as a new purpose built Museum Collection Centre is not included in the States' current plans for capital expenditure and is subject to indefinite or further deferral. It aims to overcome the inertia created by a long wait for a new store with an alternate strategy. It offers a solution which can be commenced immediately. Costs come incrementally and it uses property currently occupied by the Museums Service. More importantly the investment in new equipment is not wasted should a new store be subsequently supported as it could be moved to a new home.

Discussions with Treasury and Resources and valuable assistance from States Property Services have enabled a plan for this project to be developed which is attached at Appendix 2.

In this option plans to build a new Museum Collection Centre are abandoned (at least for the current generation). This leaves Treasury and Resources free to dispose of all the Longfield site, benefitting the public purse by the sale price realised. The Museum continues its occupancy of its St John's St Store and Annexe, Grange House and the old Police Garage and Baubigny Arsenal.

In 2008 the Department was granted the use of the top two floors of Grange House by Treasury and Resources. The curatorial staff from St John's St (next door) were re-housed here which improved the workspaces available and increased the amount of storage space. The space created also enabled the museum to improve the technical workshop conditions. This acquisition has proved to be a major bonus to the Museums Service which is grateful for the continued support of Treasury and Resources.

Option C proposes that the use of the ground floor of Grange House which is currently unoccupied is allocated to the Museums Service.

Option C provides for the existing properties and storage to be systematically upgraded to modern standards. This would include;

- mezzanine floors
- roller-racking
- plan chests
- fixed racking/pallet racking for larger objects.
- modernised security
- public access area

This will permit the detailed proposals submitted by the Museum in response to the NAO report to take place, including auditing and rationalising the collections and developing alternate displays. It will also include the disposal of some objects.

Recommendation and Resources	2. Improving Storage of Museum Objects
Concern	The poor states of the Museums Stores.
Background	Museums and galleries assets are stored at nine locations throughout the Island. The main St John Street site is cramped and the storage conditions are poor, with overfilled shelves, obstructed aisles and inadequate and inappropriate packaging material. Other sites are even worse, with damp a particular problem in some locations. The inadequacy of the storage facilities has been a long-standing problem.

Recommendation	Option C (above) see Appendix 2 for detailed plan.
Benefit	Longfield can be used for other States purposes or can be sold. No capital bid for a new store. Other sites can be released as development progresses. Improved efficiency.
Consequence of inaction	Risk of deterioration and loss of objects; limited public access; inefficient use of staff time; inefficient use of space; health and safety concerns; continued expenditure of management time on seeking solutions; loss of Accredited Museum status.
Risk	Competing priorities.
Timescale	2011 – 2014.
Resources	£250,000 p.a. increase in Culture and Leisure 's annual capital allocation in the years 2011 – 2014.

3 The Care and Conservation of Historic Sites

Guernsey has a wealth of historic sites, landscape and properties. Many of these are in the ownership of the States, with responsibilities for their care resting mainly with the Culture and Leisure, Environment and Treasury and Resources Departments; many more however are in private ownership.

There are two basic options for addressing the fragmentation of Historic Site care:

- 1) Maintain the status quo and continue to manage them as we do already, accepting the fragmentation as a consequence of the Machinery of Government. Culture and Leisure retains its key sites and transfers the remainder to Environment or Treasury and Resources. This does not address the fragmentation issue but allows Culture and Leisure to streamline its activities and prioritise site care. It is likely however that Environment and Treasury and Resources would require strong arguments for them to take on more historic sites and land as they see the responsibility for historic properties resting with Culture and Leisure.
- 2) Culture and Leisure takes over those sites managed by Treasury and Resources that are of historic or visitor interest with Treasury and Resources retaining the sites which have a continued official or commercial function. Culture and

Leisure would need to be allotted an adequate increase in budget to allow for the care of these sites.

Option 2 is the preferred option.

Recommendation and Resources	3. The Care and Conservation of Historic Sites
Concern	Responsibility for caring for Historic sites is fragmented. (The degree of care sites receive and the level of interpretation and accessibility varies between Departments.) Resources are insufficient.
Background	Over 90% of the sites currently cared for by Culture and Leisure are Registered Ancient Monuments. Even the smaller and less significant sites have historical or group value.
Recommendation	Option 2 (above). Culture and Leisure enters negotiations with other States Departments to exchange responsibility for historic sites and monuments. Culture and Leisure would aim to take over those which are principally of historic interest value and which would benefit from specialist care and interpretation. It would aim to release those which can be put to commercial use or which are chiefly of landscape value. Culture and Leisure then devotes new resources to its expanded portfolio of sites.
Benefit	Enhanced care and interpretation of sites; proactive conservation regime; enhanced public utility.
Consequence of inaction	Risk of deterioration of sites, in some cases including total loss; larger maintenance bills in the future.
Risk	Competing priorities for funding.
Timescale	Ongoing.
Resources	£150,000 p.a. increase in Culture and Leisure's revenue budget for increased historic sites maintenance and to enable additional site wardens to be engaged or work to be outsourced.

4 Rationalising Objects in Museum Collections

The NAO Report comments that '*...disposal is rarely considered by the Guernsey Museum as an option for objects which are no longer needed. Given the difficult*

storage problems, and the fact that many items have deteriorated over time, a limited cull, in line with accepted museum standards, should be considered...'

Within the Museums world there is a general presumption against disposal of material from collections. For the most part items were collected for good reason and disposal, because those reasons are not currently apparent or fashionable or for reasons of space, is a recipe for future regret.

The Culture and Leisure Board has recently approved the revised Museums Service - Statement of Policy, Aims and Objectives for effect between 2010 and 2015. This Statement is required partly for the Museum's own corporate governance purposes and partly to satisfy the criteria for Accreditation by the MLA. The Museums Service aims to develop the museum collections by means of donations, bequests, loans, field collection and purchase in accordance with the Museum's Acquisition and Disposal Policy contained in this Statement (attached at Appendix 3) and its more operational Collections Strategy, which is reviewed periodically.

Disposal lists will be drawn up at intervals and submitted to the Culture and Leisure Board for approval. The Board must be aware that disposing of items or returning loans will be a sensitive issue for some people, as they have deposited these items with the Museum in good faith that they will be cared for indefinitely.

The principle of keeping objects for future generations predisposes the Museum to take the act of de-accessioning objects from the collection extremely cautiously and this was recognised by the NAO.

Curators will be tasked to audit the collections with a view to identifying objects which can be disposed of in accordance with the revised Disposal Policy.

The Museum would carry out this work over a period as part of the normal workload of the curators. An exercise to assess the collections for potential disposals would require curatorial staff to be taken off their regular duties, to be replaced by "infill" staff if the museum is not to grind to a halt.

Recommendation and Resources	4. Rationalising Objects in Museum Collections
Concern	The NAO Report states that ' <i>...the Guernsey Museum should make more positive efforts to consider whether any items that are no longer required can be disposed of...'</i>
Background	The Service is responsible for all items committed to its care whether permanently or temporarily, and takes all reasonable steps to ensure their security and conservation. The Museum achieved Accredited Museum Status under the Museums, Libraries and Archives Council (MLA) in 2007 and will seek to retain that status. It has adopted the Museums Association

	- Code of Practice for Museum Authorities, save that in all legal matters the provisions of Guernsey Law are followed.
Recommendation	Curatorial staff to undertake an assessment of the collections with the specific aim of reducing the number of objects in museum collections (de-accessioning).
Benefit	Reduction in stored material.
Consequence of inaction	More storage is needed. Deterioration of objects.
Risk	Competing priorities for funding. Engagement of professional staff. Time.
Timescale	2011.
Resources	The real cost of this exercise is three months of staff time per curatorial area, or one year in total time. This will require the use of one FTE Intern for 1 year, plus the costs of transporting items for disposal or loan. This solution costs £20,000 for employment of an Intern, plus £5,000 for transport and disposal of objects etc.

5 Protecting Objects in Museum Care

The Museum has a duty of care for the objects in its collection. The principle of keeping and preserving objects for future generations emphasises the need to ensure that the conditions and environment in which the collection is stored and exhibited do not cause unnecessary deterioration.

The biggest problem the Museum has in terms of object care rests with storage conditions. Objects are mostly stored in reasonable environmental conditions in St John's Street. There is however need for improvement, in particular by reducing object density and using modern storage systems and packaging materials. Of main concern are the outlying stores Baubigny Arsenal, Les Islet Arsenal and Gibauderie Yard. Of lesser concern is the Police Garage at its St. John's Street Store. All of these stores require improvements in terms of conditions and space. Cramped conditions in all of the stores including the main St John's St Store restrict access, which can make it difficult to work on or study the objects.

The Museum undertakes ongoing conservation work on its collections within the resources available to it. This budget is currently £50,000 per annum. The most effective form of conservation is 'preventative conservation'. The storage, exhibiting

and handling of the collections should be such that no unnecessary damage is caused through these processes. The need for conservation work may be due to natural deterioration of the materials the works are created with, preparation for an exhibition or acquiring work through donation or sale that require conservation (the costs of this will be taken into account in the decision to acquire).

Effective conservation practice includes:-

- collections being stored and exhibited in stable and safe conditions with suitable light, temperature and relative humidity levels, in suitable storage systems that allow sufficient space for each object and easy and safe access to the objects
- appropriate handling of the collection
- monitoring of the Museum environment: temperature, humidity, lighting and security
- using museum quality products for all materials in direct contact with the collections.
- high priority given to works that are actively deteriorating and cannot be stabilised using preventative conservation methods alone.
- high priority given to works which are to be exhibited
- the use of approved and accredited conservators

The NAO report criticised the Museum for being reactive and proposes that a forward-looking programme be developed; however with a ring-fenced conservation budget of only £50,000 per annum this is difficult to achieve. What is needed is an improved conservation budget that takes account of this proactive approach with an additional budget of £50,000 to enable a planned conservation programme to be put in place.

Recommendation and Resources	5. Protecting Objects in Museum Care
Concern	The NAO Report states that ‘...once the storage problems have been resolved, the Guernsey Museum should introduce a prioritised programme of conservation work that looks at least two years ahead. A percentage of the annual budget should be retained, however, for contingencies....’.
Background	Other than the Fine Art collection and the majority of objects on display, better storage facilities are required for the remainder of the museum objects in order to help guarantee their long term survival. There is also a need to address conditions of some displays which will be addressed as part of the project to redisplay the museums. The current £50,000 budget for

	conservation is needed reactively, so a long-term programme of object conservation cannot be planned. (NAO Recommendation 13).
Recommendation	Increase the ring-fenced conservation budget to allow a proactive programme of conservation work to be planned.
Benefit	Enhanced object conservation, reduction in long-term damage and consequent costs. Contract conservators would reduce costs of off-island work.
Consequence of inaction	Conservation remains ad hoc and reactive.
Risk	Competing priorities for funding.
Timescale	Ongoing.
Resources	£50,000 per annum increase in revenue budget.

6 Addressing the Museum Documentation Backlog

The NAO Report highlights that ‘...*the elimination of the documentation backlog needs to be completed in good time to tie in with any move to new storage premises. Without adequate records, it will be very difficult for the Culture and Leisure Department to make key decisions about what items to transfer to new storage facilities, what space will be needed and how items should be arranged...*’

A comprehensive space audit has been completed giving valuable information and insight into storage requirements. The Museum catalogue system MODES currently has 43,000 records of individual objects or collections of objects in its database. The catalogue is not complete in terms of detail, but the vast majority of items are recorded to some extent. Museum staff keep up to date with all new acquisitions and are making substantial progress into the 150 years of collection.

Fine Art

Fine Art documentation is up-to-date. The Museum is collaborating with the UK’s Public Art Collections project which will mean that our oil paintings will be photographed to a consistent high standard and published in a book and on the internet.

Social History

The Social History collection requires a period of dedicated work to complete its basic recording. This will catch-up the documentation of items which are yet to be accessioned into the Guernsey Museum collection and also cover the relocation and return to storage of items which have come out for exhibition or research or have been moved between stores. The items require to be located, sorted, recorded, have a “snapshot” digital photograph taken and this information entered onto our MODES object computer database.

The above results in the creation of a basic documentary record including a rudimentary “snapshot” photograph. It does not cater for professional studio photography of 3-D objects or digital scanning of 2-D material, which should ideally be included to complete the record. This would require the equivalent of a further 15 weeks work.

It is unlikely that either the Social History Curator or the Registrar would have sufficient spare time to carry out this catch up exercise. It would ideally be suited to well-supervised interns working under the direction of Museum staff over the period of a year.

Archaeology

Basic information on the *c.*3,500 items of the archaeology collections is for the most part well-recorded on MODES. A project has just been completed using volunteers to photograph every item, and these shots are being incorporated into MODES. The MODES entries for every item have been checked and corrected or updated where necessary. New entries have been created for archaeological items which have been identified in the course of cleaning and tidying the store.

The remaining archaeological material occupies some 800 storage boxes. It is reasonably well recorded on an old Access database. These records are somewhat inconsistent in nature, and it is vital that all the various records are brought together in a consistent format on MODES. The data then needs to be checked against the finds themselves and further elements of information, such as the location, should be added. It is estimated that this will take one year as a full-time occupation, with some initial training in MODES included.

Lukis Collection

The archive of the Lukis family comprises some 11,500 pages of letters, manuscripts, plans and illustrations. There is a need for this to be digitised, both as a security measure and to enable it to be made accessible. In 2003 quotes were received to do this work ranging from £23,000 to £35,000 and taking 8 man/weeks. We would explore new avenues for doing this work from 2010, which may reveal a cheaper modern alternative.

Natural History

Records exist for almost all the natural history collection, albeit in many cases on a group basis. The ideal situation would be where all individual items have an electronic record which gives an up-to-date, attributed identification, condition assessment, valuation (if appropriate) and current location, together with all related information and illustrated by high quality images. To bring the collection to this point would take years of work by specialists in several fields.

A realistic medium term objective would be to bring the collection to an ‘adequate’ level of inventory recording, when the capacity for surprise discoveries has been all but removed, when all groups of items are listed and located, when their overall quality, condition and relevance have been assessed and recorded and when anything which needs to be found can be found, easily.

Once this latter state of affairs is reached it would be possible to prioritise targeted documentation improvement exercises for areas of the collection which warrant full in-depth treatment by the relevant specialists.

It is unlikely that Museum staff would have sufficient time to carry out this catch up exercise in addition to their normal workload. It would be suited to well-supervised interns working under the direction of Museum staff over the period of a year and the costs shown below reflect that approach.

Recommendation and Resources	6. Addressing the Museum Documentation Backlog
Concern	The NAO Report highlights that ' <i>...the elimination of the documentation backlog needs to be completed in good time to tie in with any move to new storage premises. Without adequate records, it will be very difficult for the Culture and Leisure Department to make key decisions about what items to transfer to new storage facilities, what space will be needed and how items should be arranged....</i> '
Background	The Museum catalogue system MODES currently has 43,000 records of individual objects or collections of objects in its database. The catalogue is not complete in terms of detail, but the vast majority of items are recorded to some extent. Museum staff keeps up to date with all new acquisitions and are making substantial progress into the 150 years of backlog.
Recommendation	Short-term placements, ideally of student interns with appropriate skills.
Benefit	All items will be recorded on MODES; enhanced collection care; enhanced ability for public to access collections via the internet; improved staff efficiency in dealing with enquiries, commercial requests, acquisition and disposals.
Consequence of inaction	Very slow progress towards complete documentation. Possible loss of Accredited Museum status.
Risk	Competing priorities for funding.
Timescale	2011.
Resources	Fine Art – nil Social History - £20,000 Archaeology - £20,000 Lukis Collection - £35,000 Natural History - £50,000

7 Obtaining Valuation of Museum Collections

The NAO Report states that ‘...the Culture and Leisure Department should adopt a banding system for assessing the worth of its collections. Such a system would identify, at the top end, individual items needing to be separately valued and, at the bottom end, items that could be considered for disposal. But the bulk of the collections would probably fall in neither category....’

This is a relatively straight forward continuation of the valuations carried out over the years of the Museums most valuable objects or collections. This process will continue as resources allow albeit in a more targeted way. The use of firms such as Sothebys, Bonhams and Martel Maides will continue where specialist advice is required. All of the valuable artworks have been recorded as have all objects purchased for the Social History collection since 2004.

Recommendation and Resources	7. Obtaining Valuation of Museum Collections
Concern	The NAO Report states that ‘...the Culture and Leisure Department should adopt a banding system for assessing the worth of its collections. Such a system would identify, at the top end, individual items needing to be separately valued and, at the bottom end, items that could be considered for disposal. But the bulk of the collections would probably fall in neither category....’.
Background	The NAO report and other audits have identified a need for the valuation of museum collections, although this is unnecessary for the huge majority of items in care which have minimal or no market value.
Recommendation	Curatorial staff have identified the classes of objects for which it would be meaningful to obtain a market valuation.
Benefit	Insurance valuation for our most marketable objects, those with an auction value of £500 or more.
Consequence of inaction	Further audit queries.
Risk	Competing priorities for staff time.
Timescale	2010 and 2011.
Resources	Using current Culture and Leisure budgets spread over two years.

8 Improving Public Access to Collections

Gallery Space

One frequently voiced criticism of the museum is that too many objects are in storage and not seen. It has to be questioned, however, whether the visiting public actually demands “more” on show at any one time. There is curatorial concern that the displays are ageing. Museum displays should be refreshed every 6-10 years and all except 201 Squadron and the new Militia Museum are over 10 years old. If the number of objects on display is increased then less storage is needed. The caveat is that display space is many times more expensive than storage. Each additional display also increases the demand for cleaning and maintenance.

There has been relatively little access for the public to the stored collections as the current stores are cramped and would be unsafe for more than a handful to visit at any one time. People who wish to look at specific objects can make appointments to do this, for example there are often academics working on the collections. To have a museum store large enough to permit routine access by the general public would require double the ground area and also require staffing. Instead we will continue initiatives such as “Museum at Night” and “Archaeology Festival” where the public can have wider access to the stored collections. Walk-in-stores enable objects to be seen without the expense of full interpretation. Object density is much greater than in formal galleries, but less than in true stores. There is some potential in Guernsey to create high-density displays which function de facto as walk-in stores. The arrangements for members of the public or small groups to view the collections would continue and can be improved with more space.

Although there is considerable scope to develop new gallery space and refurbish existing spaces, even a modest programme such as the Militia Museum project 2008-10 stretches internal resources. Experience has shown that there are sufficient in-house resources to work on just one gallery refurbishment during a year, and then at the cost of reducing temporary exhibitions.

No site has yet been identified for the Roman wreck to go on display. There has been an assumption since 1986 that it is destined for the Slaughterhouse, but no real progress has been made in 24 years nor is there any indication that the Slaughterhouse will be available in the foreseeable future. The wreck needs to be displayed in a glass case approximately 19m long by 6m wide by 2m high. As a fallback, there is potential to display just 2/3 of the ship. It is hoped that a public-private partnership through a Maritime Trust could be established to achieve this but to date there has been little revival in private sector interest. The ship is ready to return to Guernsey in 2010 although it can be stored in the UK till the end of 2011. Planning and cost estimates are not possible until a site is identified, but a full display within a re-imagined maritime museum, costing in the region of £5m would not be unreasonable based on UK experience. A walk-in-store may cost as little as £500,000 but would not have the public impact. A number of options between these two positions are being explored. An analysis of the current position is at Appendix 4.

The Museum holds an extensive industrial history collection, including several large objects most significantly the No.5 Tram. There is currently no prospect of establishing a museum or a gallery to display this material. Opportunities to display individual items either at Culture and Leisure sites or at other locations will be investigated. Disposal, preferably to other Museums is also being actively considered.

Beyond the permanent galleries there are other means by which objects can be put on public display. Periodically it is suggested that objects from store should go on public display in non-museum spaces or offices. There is a general lack of public understanding that objects on display deteriorate due to the action of light, humidity, fluctuating temperatures, dirt, insects and physical contact. The kind of objects people most often envisage having on display are the most prestigious artworks, whereas much of the art collection which remains for long periods in store are the small, sensitive or more humdrum pieces. The best museum quality objects are already on permanent display or are rotated into temporary exhibitions. The Museum is not in favour of distributing its objects to areas where they could be damaged or lost. The museum holds objects with connections to specific buildings, people or events. Some of these could be displayed on request in those buildings.

Outreach is the current buzz-word for taking the message out of the museum and engaging people who might not otherwise come to the museum itself. It is resource-heavy and is often the first area to be cut in the UK when local authorities are looking to make savings. We do not have an "Outreach Officer" but have included this brief in the job description of the Access & Learning Manager. The principal activities supported in recent years have been the loan of objects to schools, living history performances, workshops, demonstrations, tours and lectures.

In recent years it has been the policy to try to bring the public to sites. This is to enhance numbers and revenue at the sites whilst maximising the value of the investment made in those sites. Schools are therefore encouraged to visit the Museum, Fort or Castle, rather than have staff visit the school. The Living History performances have likewise been concentrated at the Castle. Special events such as Castle Nights and Museums at Night have been launched to seek out different audiences. This is assisted by sponsorship.

The Museum website (www.museums.gov.gg) is used to:

- Promote the Museum, historic sites and Guernsey.
- Enhance understanding of the history and culture of the island.
- Provide a resource such as online collections and exhibitions
- e-learning
- Prints online service and sale of publications.
- Publish research that would be uneconomic to print by conventional means

Recent technological developments have altered the way in which the general public, educational institutions and learners of all ages expect to access resources for learning held by both public and private bodies. The Museum has catalogued its collections on its standard catalogue system (MODES). A long-term aim to digitise images of this collection is partially complete, with several thousand images already available. Image Management Software was purchased in 2008 and progressively implemented in 2009. This permits the uploading of images and data to the internet which teachers can employ to construct their lessons. Other users would include those undertaking non-structured learning, i.e. researchers, students and the casual visitor to the website.

Overcoming barriers to access is a major part of the role of the Access & Learning Manager. Barriers to access can be summarised as follows:

Financial

Some people profess that they cannot afford to come to museums, or they are unwilling to pay the entry fee. Some people believe museums should be free, like the big nationals in the UK and some local authority museums. In fact the museum is a relatively cheap venue. A year's Heritage Season Ticket for a family is £37, which is comparable to the cost of a bar meal or a night out at the pictures for a family of four.

The case for charging admission to Guernsey museums and sites is as follows:

- The majority of paying visitors are in fact tourists
- Ticket sales brought in £214,000 in 2009
- Other attractions on the island such as the Folk Museum, Occupation Museum, and Tapestry etc must charge for entry and hence we would not want to be seen as States-subsidised competition.
- We currently have very low admission rates for children and local schools are free

Physical

Access to our Museums for individuals with disabilities can be a complex and sensitive issue.

Guernsey Museum and Art Gallery is currently accessible to wheelchair users and has a disabled toilet. Staff are conscious of issues such as the height of text and objects when designing exhibitions. There is an audio guide for the partially sighted but it is rarely used. Concessions on admission price are offered. The Museums are visited by special needs groups. There is no on-site parking, nor dedicated street parking, which is a particular headache.

Castle Cornet is a historic site designed for defence. It has staircases, steps, uneven surfaces and narrow doorways. The layout is idiosyncratic and it is on multiple levels. There is often no parking anywhere close to the castle, or a convenient drop-off area.

Any modifications to take account of people with limited mobility or eyesight would require compromises with the historic structure. To create proper wheelchair access to the level of the Middle Ward for example would cost in the region of £100,000, taking account of the need to convert toilets and attend to surfaces and doorways. Culture and Leisure will revisit this idea periodically, especially if financial support is forthcoming.

Emotional, Educational and Cultural barriers

Part of the published strategy for the Museum is to overcome these barriers. A subtle problem which confronts Museum professionals worldwide is that “Museums are not for the likes of us”. Significant portions of the local population would not even consider visiting the museum, even if it were free. There is a widespread perception that museums are the preserve of the educated middle-class or are just for schoolchildren. Even the word “museum” is used pejoratively in common usage and the media commonly perpetuates the image of museums as dusty, boring or stuffy. The cultural barrier is a pertinent one as many of the hotel staff in the island are non-local guest workers, yet are the ones most likely to be asked for information by tourists.

This is addressed via an energetic presence in the media achieved by a mix of press releases, advertising copy and participating in newsworthy stories. This is to reinforce the impression of the Museum as a relevant part of local culture and, wherever possible, as a fun place to be. Exhibitions and events are designed to focus specifically on the local community as well as visitors.

Recommendation and Resources	8. Improving Public Access to Collections
Concern A	The NAO Report states that ‘...more could be done to improve public access to Guernsey’s heritage assets....’.
Background	<p>A number of factors severely constrain public access to Guernsey’s heritage assets. Except when on display in the museums, museum collections are not accessible to the public because of the poor storage facilities. The pictures and artefacts displayed at the Museum and the pieces held in storage are not rotated on a regular basis, as many of the pieces held in storage require conservation and restoration work before they could be considered fit for public display. As a result, around 90 per cent of the objects in the museum collections are never seen by the public.</p> <p>There is concern that the permanent gallery displays are ageing. Museum displays should be refreshed every 6-10 years and all except 201 Squadron and the new Militia Museum are over 10 years old.</p> <p>Public access to some historic sites and buildings is constrained by a lack of parking facilities, health and safety</p>

	<p>concerns and the fact that key sites are closed for five months of the year.</p> <p>The Roman wreck is due to come back to Guernsey in 2011 and needs to be either displayed or put into storage where it can at least be visited by the public or disposed of to another museum who has the resources to care for it.</p>
Recommendation	<p>Solving the storage problem will improve public access to the collections.</p> <p>Redisplay the permanent galleries in a phased approach from existing resources. The intention is to redisplay Guernsey Museum and Art Gallery over a period of years.</p> <p>Display of the Roman Wreck is a bigger issue and is costed separately below.</p>
Benefit	Increased public engagement with Guernsey's heritage and culture.
Consequence of inaction	The status quo is maintained.
Risk	Improvements to storage not carried out.
Timescale	<p>Improvements to public access – Ongoing.</p> <p>Redisplay of permanent galleries – Ongoing.</p> <p>Roman Wreck display or storage - 2011 onwards.</p>
Resources	<p>Ongoing improvements to public access will be made from existing budgets.</p> <p>Redisplay of permanent galleries will be funded from Culture and Leisure's capital budget.</p> <p>The display of the Roman Wreck at some point in the future yet to be determined will cost between £500,000 - £5,000,000 dependent upon the option chosen. This could be funded through a Maritime Trust.</p>

9 Exploiting Heritage Assets

Guernsey's Heritage assets are considerable and offer potential for exploitation. The chief limiting factor is the number of tourists the islands receive. The Museum sites could comfortably accommodate double the number of visitors actually received, at little extra cost. The viability of the Museums as quasi-commercial ventures would

therefore be considerably enhanced if we had more tourists. In turn this would make it feasible to enhance “value added” features of the sites, to increase the number of events and to improve the quality of the offering. The numbers visiting the museums can be improved by encouraging more use of sites by locals.

Ticket Sales brought in £214,000 in 2009 with 73,000 recorded visitors to the various sites. Castle Cornet has the highest footfall and income. Prices are in line with other attractions in Guernsey, cheaper than Jersey and equivalent to the Isle of Man. They are in line with similar low key attractions in the UK, remembering that many UK local authority and national museums are free. Some commercially run ventures in the UK charge significantly more, but have benefitted from substantial investment and have a larger tourist catchment area.

The chief driver for enhanced income is to increase the number of paying visitors. This was achieved in 2007 and 2008 where more locals were attracted, partly through tightly targeted exhibitions. Ultimately however ticket income is linked to the number of tourists Guernsey receives. There are also deterrents to increasing visitor numbers, particularly the dearth of parking near the Castle and Guernsey Museum (GMAG).

2009 Visitor Figures and income

	Visitors 2009	Change on 2008	Ticket Sales 2009	Change on 2008	Shop Sales 2009	Change on 2008
Guernsey Museum	14,189	-26.0%	£44,302	+1.4%	£44,258	+9.1%
Castle Cornet	46,786	-6.6%	£139,146	+7.9%	£35,457	-8.5%
Fort Grey	11,637	-8.7%	£28,934	+6.7%	£8,414	-12.0%
Telephone Museum	850	-27%	£811	+8.0%	£116	
Guernsey Information Centre	-	-	£1,714	+27%	£38,740	+12.0%
Total	73,462	-11.6%	£214,907	+7.5%	£126,986	+3%

Venue Hire

Venue hire increased through 2007 and 2008 although this levelled off slightly in 2009. The Hatton Gallery was enhanced as a prestige venue in 2008 and the Castle promoted as a wedding reception venue with a healthy take up of available dates.

Retail

Retail is an essential part of the museum experience. The shops located at Guernsey Museum, Castle Cornet, Fort Grey and the Guernsey Information Centre offer a good income stream with sales of £127,000 in 2009. Significant improvement is ultimately linked to increased footfall, particularly from tourists.

Museum Events are aimed at encouraging access to the Museums and sites, in particular by locals and do increase ticket and retail sales. Budget support or sponsorship is required for any quality event which keeps down or removes the ticket price.

Castle Cornet, Fort Grey and other historic sites are icons of Guernsey and are used repeatedly in marketing materials. Whether the product is financial services, fudge or tourism, symbols of our heritage are to the fore. Guernsey's prosperity rests on its particular geographic position and its singular history. In a world which is increasingly integrated and increasingly bland, Guernsey can trade on its distinctiveness and cultural identity.

Heritage therefore should remain at the forefront of tourist marketing campaigns. Visit Guernsey has revamped its Heritage Guernsey website and the Museum has contributed to its brochures and other material. Guernsey possesses a mosaic of historic attractions in addition to its natural beauties.

Recommendation and Resources	9. Exploiting Heritage Assets
Concern	NAO suggests better use can be made of Heritage Assets.
Background	Commercial returns from Heritage sites are underpinned by tourist numbers and are limited by a restricted catchment area.
Recommendation	Initiatives which improve performance, particularly financially, will be undertaken.
Benefit	Returns from initiatives are improved. Wider access by locals.
Consequence of inaction	Lower financial returns from sites. Disengagement of public.
Risk	Reducing tourist numbers. Obstacles to access for locals not improved.
Timescale	Immediate and ongoing.
Resources	From current resources.

Summary of Required Resources

Concern	Recommendation	Resources
1. The Need for an overarching Heritage Strategy for Guernsey	Culture and Leisure could advance one of these options by further changes to the Machinery of Government when this is next reviewed.	N/A
2. Improving Storage of Museum Objects	‘Option C’ The Museum upgrades the buildings it currently occupies, namely the St John St Store and Annexe, Grange House and the old Police Garage, plus Baubigny Arsenal.	£250,000 p.a. increase in Culture and Leisure’s annual capital allocation in the years 2011 - 2014
3. The Care and Conservation of Historic Sites	‘Option 2’ Culture and Leisure enters negotiations with other States Departments to exchange responsibility for historic sites and monuments. Culture and Leisure would aim to take over those which are principally of historic interest value and which would benefit from specialist care and interpretation. It would aim to release those which can be put to commercial use or which are chiefly of landscape value. Culture and Leisure then devotes new resources to its expanded portfolio of sites.	£150,000 p.a. increase in Culture and Leisure’s revenue budget for increased historic sites maintenance and to enable additional site wardens to be engaged or work to be outsourced.
4. Rationalising Objects in Museum Collections	Curatorial staff have identified some scope for reducing the number of objects in museum collections (de-accessioning). The real cost of this exercise is probably three months of staff time per curatorial area, or one year in total time. This will require the use of one FTE Intern for 1 year, plus the costs of transporting items for disposal or loan.	£25,000 for employment of an Intern, transport and disposal of objects etc. One off cost in 2011

5. Protecting Objects in Museum Care	Increase the conservation budget to allow a proactive programme of conservation work to be planned.	£50,000 per annum increase in revenue budget
6. Addressing the Museum Documentation Backlog	Short-term placements, ideally of student interns with appropriate skills.	Fine Art – nil Social History - £20,000 Archaeology - £20,000 Lukis Collection - £35,000 Natural History - £50,000 One off costs.
7. Obtaining Valuation of Museum Collections	Curatorial staff have identified the classes of objects for which it would be meaningful to obtain a market valuation.	Using current Culture and Leisure budgets spread over two years
8. Improving Public Access to Collections	There are a number of improvements to public access that can be implemented if the storage problem can be addressed successfully.	Ongoing improvements to public access will be made from existing budgets
9. Exploiting Heritage Assets	Commercial returns from Heritage sites are underpinned by tourist numbers and are limited by a restricted catchment area. Initiatives which improve performance, particularly financially, will be undertaken.	From current resources

Cost Plan

The breakdown below shows the cost plan for the various initiatives and the source of funding for these. Items 1, 7, 8 and 9 are cost free or are to be funded from existing Culture and Leisure budgets. Items 2, 3, 4, 5 and 6 are the subjects of New Service Development (NSD) Bids for funding in 2011 as part of the States Strategic Plan.

Item	2011	2012	2013	2014	2015
1. Heritage Strategy					
2. Storage – NSD Bid	250,000	250,000	250,000	250,000	
3. Historic Sites Maintenance – NSD Bid	150,000	150,000	150,000	150,000	150,000
4. Rationalisation of objects	25,000				
5. Protection of objects – NSD Bid	50,000	50,000	50,000	50,000	50,000
6. Documentation Backlog Fine Art	0				
Social History	20,000				
Archaeology	20,000				
Lukis Collection	35,000				
Natural History	50,000				
- NSD Bid					
7. Valuation					
8. Public Access GMAG Displays					
9. Exploiting Assets					
Total Annual Cost	600,000	450,000	450,000	450,000	200,000
Five Year Cost					2,150,000

(The only addition to full time staff (FTE's) intended in the above plan is for additional site wardens therefore it is not anticipated that there would be any requirement for housing licences.)

The States Strategic Plan gives the States Objective as

'...the government of Guernsey aims to improve the quality of life of Islanders and to secure our economic future while protecting the Island's natural environment, unique cultural identity and rich heritage....'.

In other words responsibility for the care and protection of our cultural identity and rich heritage lies with the States and its Departments. The NAO Report clearly shows that this responsibility has been under-resourced for a considerable period of time. This States Report from the Culture and Leisure Department provides the opportunity for that deficiency to be recognised by the States and corrected.

Submissions have been made for the various initiatives detailed in this Report in New Service Development Bids for 2011 as part of the States Strategic Plan to be considered by the States in September.

RECOMMENDATIONS

The Culture and Leisure Department recommends the States:

1. To note the response to the Public Accounts Committee's report on Safeguarding Guernsey's Heritage Assets which provides as requested clear and costed proposals on the future direction and strategy for safeguarding, storage, display and accessibility of the heritage assets of the Island.
2. To note the necessary actions and expenditure required to address these deficiencies.
3. To note that the additional funding required for the various initiatives set out in this Report will be subject to prioritisation as part of the States Strategic Plan process.

Yours faithfully

M G O'Hara
Minister

Appendix I

Potential for a Heritage Strategy for Guernsey

It has been proposed as recommendation 1 of the NAO report that the Culture and Leisure Department (“Culture and Leisure”) “take a much stronger lead on the management of the Island’s Heritage assets.” Recommendation 4 is that a “single overarching strategy be developed for the management of public sector heritage assets on the island.”

The current structure of heritage care in Guernsey is in part historic and in part a result of the machinery of government changes in 2004. This has resulted in responsibility for heritage being shared between Environment, Treasury and Resources, Education, Policy Council and The Royal Court as well as Culture and Leisure. Other States Departments including Commerce and Employment and Public Services are also involved. A number of non-States bodies also play important roles in Guernsey’s Heritage.

A coherent strategy could be achieved by:

- a) The significant exchange of responsibility and budgets between Departments; or
- b) The unification of heritage care within a single public sector body (possibly Culture and Leisure); or
- c) The formation of a heritage trust with a broad enough remit and sufficient funding to be an effective guardian of the islands’ heritage.

Culture and Leisure could advance one of these options by further changes to the Machinery of Government when this is next reviewed.

This Appendix summarises the current position rather than making proposals. Separate strategies exist in particular areas of heritage care. There is both formal and informal inter-department working and there is scope to improve and extend this.

Heritage Themes

Archaeology, including excavated finds and sites of archaeological interest (whether extant or not).

Maritime Heritage, including underwater archaeology, historic wreck, historic boats

Material Culture, including artworks, artefacts and documents relating to the island’s past.

Historic Sites, including extant historic sites, monuments, memorials and historic buildings, together with their landscape setting.

Cultural Heritage, including language, folklore and iconic features of island life.

Natural Heritage, including natural history, landscape, seashore, biodiversity and sites of special scientific or natural interest.

Archaeology

Guernsey's Archaeology is a valuable resource but has been poorly served in relation to the UK or France. The 1967 Ancient Monuments Law was too weak to meet the pace of modern building developments and Guernsey lagged behind the revolution in rescue archaeology that began in the UK in the early 1970's, with the French catching up over the next decade. We had no equivalent of PPG16 (published 1990) or earlier UK expectations that the costs of undertaking archaeological work fell on the developer of a site. Guernsey's archaeology was safeguarded chiefly by the work of volunteers or by Museum staff using their own time and resources. This was supplemented by a number of visiting academics, some of whom did not complete or fully publish their work. Some excellent work has been done, but the quality of excavation, post-excavation and publication has struggled to reach the level achieved by professional UK units. Without doubt important sites have been destroyed by development since the 1960's without being recorded.

Statutory Protection. This is provided under the Land Planning and Development Law (Guernsey) Law 2005 and its various Ordinances. The Land Planning and Development Law (Special Controls) Ordinance 2007 covers protected monuments and protected buildings. The States have powers to require urgently necessary repair work to be undertaken in order to preserve and protect protected monuments and protected buildings.

States Archaeologist. The States Archaeologist fulfils the role of City Archaeologist or County Archaeologist in the UK. He is employed by the Culture and Leisure Department and oversees the general direction of Guernsey's Archaeology.

Museum Archaeology. Culture and Leisure's Museums Service is responsible for the care of collections, research, exhibitions, publications and dissemination of knowledge to the public and wider world. Specialist research and publication suffers from the Island's physical isolation but there is a wide network of colleagues in the UK and elsewhere who can be called upon or hired to assist specific projects. The work is handicapped by the general shortage of space and budgetary restrictions noted elsewhere in relation to the Museum.

Research, Fieldwork and Research Excavations. In the past this has been carried out by La Societe Guernesiaise, but since the 1980's has chiefly fallen to the Museums Service and its volunteer group (most of whom form *de facto* the Archaeology Section of La Societe). Individual members of La Societe, however, continue to make valuable contributions in this field, as they have in the past. Likewise the Alderney Society and La Societe Serquaise will continue work in those islands. The Bailiwick is often the subject of field projects carried out by teams led by UK (and occasionally French) academics. This work is authorised by the Forward Planning section of the

Environment Department, under advice of the States Archaeologist and is in compliance with agreed parameters (for example, artefacts and records will be deposited with the Museum). The States Archaeologist monitors the work in progress. Research Excavations are not essential to safeguard Guernsey's heritage and in many cases should actually be discouraged.

Protection of Archaeology in the Planning Process. The Environment Department has statutory responsibility for planning. UK planning authorities receive advice from their own archaeologists or from the County Archaeologist or City Archaeologist similarly employed by local government. These will also maintain the Sites and Monuments Record (SMR). In Guernsey the SMR is maintained by the Museums Service, which provides advice and data to Environment on a proactive basis and also monitors planned developments for potential archaeological impact. This two-way flow of information is carried out under a Service Level Agreement. The work is funded from the Museums Service budget for archaeology and the agreement is working successfully for both Departments.

Provision of data to the public. Members of the public, in particular developers and their professional advisors require information from the SMR about archaeological sites, or the likely impact of their proposed development. In the UK this is most often given by Historic Environment Recording officers (or similar) at county or city level, often subject to a charge. From 2010, the Museum is applying a scale of charges for this service, with discretion to waive these charges for private householders. In order to avoid a conflict with its role in relation to planning advice, the information given by the Museum will not constitute advice.

Contract Archaeology. Desktop assessments, watching briefs, impact analysis reports and rescue excavations may be required in association with development. Developers may also need advice on mitigation strategies (how to minimise damage to archaeology, to speed up the process and reduce costs). In the UK this work is commonly carried out by independent archaeological contractors and freelance specialists. It is usually funded by the developer. Guernsey is too small to sustain such organisations, but the Museums Service maintains a list of companies who can provide these services. The Museum itself is capable of conducting desktop assessments, watching briefs and impact analysis reports. It can conduct small-scale rescue excavations with the assistance of its pool of temporary staff. The Museum has also published a document, *Contract Archaeology in Guernsey*, which includes a scale of charges upon which it will undertake work for commercial bodies. It has the discretion to waive or discount these charges to members of the public and other States Departments, provided that a budget is available to do the work. It may not be able to conduct a rescue excavation on a substantial site to the standards now expected of professional archaeologists, particularly on a short timescale. In this instance, additional personnel will need to be brought in from outside the island.

Post-excavation work. This includes finds recording, field conservation, research and publication. This can be as costly and time-consuming as the original excavation. In the UK this work will be developer funded to "assessment" level and possibly to archive report stage. Various grant-awarding bodies assist (i.e. English Heritage). In

Guernsey the law is not strong enough to insist that this is also funded by the developer, although some developers have made generous contributions towards post-excavation work. The cost burden of post-excavation work falls upon the museum and upon its staff, volunteers and colleagues.

Advocacy for Archaeology. In the UK, advocates for archaeology include the learned societies, county and local societies, professional organisations such as the IfA and by individual academics. These will bring pressure to bear on government, local and national and will support or oppose particular initiatives in the media. In Guernsey this role is carried mostly by La Societe Guernesiaise and its members. However it should be recognised that most of the active members of La Societe's archaeology section are employees of the Museum or members of its volunteer archaeological group. There is often an uneasy conflict of interest between the duties of the Museum's Civil Servants to support their employer and their professional interest in wanting the best outcome for Guernsey's archaeology.

Conclusion. The Archaeology team at the Museum fill the roles which in the UK would be split between the Local Museum, Local Society, County Archaeologist and private sector archaeological units, plus sundry academics. It is impossible to replicate the scale or separation of responsibility as in the UK. The adopted solution with the Museums Service working in tandem with the Environment Department is therefore seen as a suitable compromise for Guernsey.

Maritime Heritage

Statutory Protection. This is offered by the Wreck and Salvage (Vessels and Aircraft) (Bailiwick of Guernsey) Law 1986, as amended. It has since the date of introduction been effective in preventing the plundering of historic wreck (whose definition includes any vessel or cargo of such vessel in local waters which has lain wrecked for not less than 50 years or since any date prior to 1946). Objects found in local waters must be declared to the Receiver of Wreck. The ownership of historic wreck vests with the States. The States may pay compensation but is not compelled to do so. The Receiver of Wreck will operate under the advice of the States Archaeologist in these matters. Sites can be declared restricted areas by the Culture and Leisure Department, for example that around the Alderney Elizabethan wreck. The Receiver of Wreck, the Harbourmaster, the Museum and the Royal Court will collaborate on areas of mutual concern.

Diving Licences. These may be granted by the Culture and Leisure Department, under the advice of the States Archaeologist. In practice few have been granted. The chief Guernsey example is the Roman Wreck and in Alderney the Elizabethan wreck.

Underwater Archaeology. Until 1985 this was carried out as a pastime by local divers and much that was found was sold off or used as household ornaments with little record made of what was found. Certain divers, in particular Richard Keen, made some notes and passed certain objects to the Museum. Fort Grey exhibits many of these finds. The formation of the Guernsey Maritime Trust to investigate the Roman wreck was a

turning point, but after the wreck was raised the Trust lost momentum and since the wreck went to England in 1999 the Trust has largely existed on paper. The Alderney Maritime Trust was formed in 1994 and continues to investigate the Elizabethan wreck. Both Trusts have relied on the efforts of individuals and have largely survived on private funding. The States should wherever possible support and encourage the work of the two trusts, but otherwise the involvement of the trusts is wholly appropriate. Underwater archaeology can veer on the side of treasure hunting, so will continue to be tightly controlled. Little can be done about projects based outside our territorial waters, but the Museum will strive to maintain good relationships with exploration companies and individuals operating off the islands.

Museum Projects. Underwater archaeology is much more expensive than its land counterpart and the Museum currently has no budget to support it. Likewise, dealing with wet timber and other objects recovered from the sea imposes a potentially expensive conservation burden. The Museum will therefore avoid becoming directly involved in underwater work which does not have a conservation imperative. However, many local maritime sites are in danger of destruction including eight mediaeval ships in St Peter Port harbour mouth. For a number of years, a project to investigate these was supported jointly by Southampton University, the Museum and private sponsors. The Museum requires a budget to enable this kind of work to continue. Timbers from the mediaeval wrecks are housed in temporary accommodation and a long-term storage solution is required.

The Roman Wreck. This ship is of international importance, being the only sea-going Roman vessel remains now surviving in Britain. It is Britain's largest Roman artefact and probably Guernsey's most valuable museum object. It was raised at the expense of the Guernsey Maritime Trust 1984-86 then conserved by the Mary Rose Trust at the expense of the States. The ship is due to return to Guernsey and there is as yet no proposal of where to house it. Successive States Committees have not addressed the issue of how to house the ship when it returns, or indeed whether it returns at all. For further information see Appendix 4.

Site Records. There are over 800 known wreck sites or other marine sites such as submerged dolmens in the Bailiwick. In 2008-9 these were added to the Sites and Monuments Records at the Museum.

Historic Boats. The Museum has a small number of small wooden boats in its care. It has been offered more but does not have the room to store or display them, nor the funds to restore and maintain them. The National Trust also has some boats and others are in private hands.

Conclusion. The States has appropriate statutory powers in place to passively protect the maritime heritage and there is an appropriate split of responsibility between Culture and Leisure and the Receiver of Wreck. There is a significant capital investment needed to ensure the return of the Roman Wreck and this requires the rejuvenation of the Guernsey Maritime Trust towards this end.

Cultural Heritage

The Culture and Leisure Department's Cultural Strategy embraces much of the less physical aspects of Guernsey's heritage that it seeks to enhance and preserve. In this sense it effectively leads the islands heritage strategy.

Events such as Liberation Day and Castle Nights which are organised by Culture and Leisure celebrate Guernsey's cultural heritage. Local organisations, in particular the Douzaines and the Show Committees, also promote traditional aspects of island life and the States will lend support to some of these events (for example the Castel exhibition in 2009).

D'Guernesiais is promoted via the Language Support Officer at Culture and Leisure. In this the Officer works with Guernsey-based language groups including La Coumite and UK based academics.

The Guernsey Arts Commission has been formed to promote the arts in their broadest sense, including both contemporary and traditional arts.

Material Culture

Objects relating to Guernsey's material culture have been acquired by diverse routes and the manner by which they are now cared for is more due to historic accident than a single plan. The major States agencies caring for the islands' material culture are:

Museums Service (Culture and Leisure)

The Priaulx Library (Education Department, managed by Trustees)

The Archives Service (Policy Council)

Additionally, the Royal Court, which is not an agency of the States, also holds records in the Greffe public records office.

There is frequent professional contact and a good working relationship on both professional and personal levels between these bodies. However, they belong to different Departments and operate on different agendas, which give the impression of fragmentation. There is duplication, overlap and inconsistency between these bodies arising from the manner in which they have evolved.

Museums Service holds the vast majority of artefacts in States ownership, with the bulk being in the reserve collection. It holds the majority of States-owned artworks. It also has a large collection of photographs, postcards, some maps and documents, some newspapers, periodicals and books. It holds the State's philatelic and numismatic collections. It uses the MODES cataloguing system. It has six museums with permanent displays and two galleries which are used for a programme of temporary exhibitions and smaller displays.

The Priaulx Library holds books, newspapers, periodicals and family history resources. It also holds maps, a large photographic collection and some artworks, particularly portraits and the Mosse Prints. It uses a Talis-Prism online catalogue system. The library is open to the public and mounts small exhibitions from time to time.

The Archives hold original documents and is the States repository for official records. It also holds and actively collects historic documents, maps and photographs. It has purpose built document storage and a cataloguing system. The Archive is open to the public.

Other States Sites. The Museums Service holds records of art held at the Royal Court, Government House and Sir Charles Frossard House. Other artworks not under the Museums Service control are held in hospitals, schools, the Archives and elsewhere. The Priaulx has a number of portraits plus the Mosse print collection.

The Greffe holds Royal Court records and a number of other documents, plus some objects, including most prominently the Royal Charters. It is open to the public by appointment.

Further significant collections are held by the National Trust of Guernsey, the City of Paris (Victor Hugo House) and by the Channel Islands Occupation Society. Much is also in private hands within the islands, particularly WW2 and military collections at the German Occupation Museum, German Underground Hospital and La Vallette Military Museum. Many individuals within the islands also own important artworks. The States should be aware that in the long term it may be asked to act as “museum of last resort” for one or more of these collections.

Conclusion. The States has decided against combining the Archives, Museum and Library under a single authority. This is often done in the UK but anecdotally the three do always fit. Some transfer of objects between the entities could take place on a case-by-case basis to create a more coherent structure and consistent levels of collection care. All significant artworks owned by the States could also be recorded by the Museums Service and brought into MODES. The Museums Service puts less emphasis on rural history, the Occupation and Victor Hugo which are well covered by the other private museums. The Museums Service, the Archives and the Priaulx share intelligence over auctions and sales of objects, reaching a consensus of which would be the most appropriate to make the acquisition.

Historic Sites

Statutory protection lies with the Environment Department, via the Land Planning and Development Law (Guernsey) Law 2005 and its various Ordinances. The Land Planning and Development Law (Special Controls) Ordinance 2007 covers protected monuments and protected buildings. The Environment Department maintains the protected buildings list. The Conservation & Design section has the specific brief to care for protected monuments. The Sites & Monuments Register is maintained by Culture and Leisure Archaeology staff.

Responsibility for care of Historic sites is split between Environment, Treasury and Resources and Culture and Leisure. The budgets, staffing and policy applied to the sites varies between Departments. Likewise the manner in which the sites are interpreted for the public and the manner in which they are used differ.

The current Historic Sites Strategy has been developed by these three Departments along the following lines:

Treasury and Resources maintains the buildings which still can be actively used by official bodies or with potential for commercial rental.

Culture and Leisure maintains the sites which can be visited by the local population and tourists.

Environment maintains land areas which principally have landscape or biodiversity value.

Strategy. There is an agreed Historic Sites Strategy in operation between Treasury and Resources, Culture and Leisure and the Environment Department. This maps a flowchart of how decisions will be made when development is proposed at a historic site.

Historic Sites Curator has been appointed by Culture and Leisure to work with the Historic Sites Strategy. She works with Culture and Leisure's Museums & Monuments Manager, Estates Manager and States Archaeologist. These form Culture and Leisure's Historic Sites Group. This works together with States Property Services (Treasury and Resources) and Environment on various joint projects. The Curator acts as a central resource for the States in drawing up statements of significance for all buildings in States ownership, including those scheduled for sale. She is now also leading the project to replace Culture and Leisure's interpretation boards.

Advocacy for Built Heritage comes from a wide section of the community which has an interest in preserving this most visible part of Guernsey's heritage. Organisations include La Societe Guernesiaise, the National Trust, the Saumarez Manor Heritage Society and Friends of St James.

Natural Heritage

The principal strategies and statutory powers to protect and enhance Guernsey's natural heritage rest with the Environment Department. These include the Detailed Development Plans, being the Urban Area Plan, the Rural Area Plans and other Planning Briefs. The chief threat to natural heritage is development, which is governed by the Land Planning and Development (Guernsey) Law 2005 and its Ordinances. Other threats such as climate change are also considered by the Department.

Natural History Collections. The extensive antiquarian natural history collection and associated records are under the care of the Museums Service. A number of more

modern private collections are known to exist within the islands and the Museums Service will investigate acquisition of such collections as they become available. The Museums Service is otherwise no longer actively collecting specimens. It will from time to time mount exhibitions of natural history interest from within its current resources.

Research and Publication. The preponderance of natural history research and publication has been by members and sections of La Societe Guernesaise. The Natural History Officer post has been subsumed into the role of Senior Curator but some research should continue at the Museum.

Biological Records. The Biological Records Centre is run by Environment Guernsey (a subsidiary of La Societe Guernesaise) in partnership with the Environment Department. It is the principal repository and research base for modern records relating to animal and plant species in the island.

Conservation. Statutory protection of the island's landscape and biodiversity rests with the Environment Department. This includes the protection of trees and natural habitats. Both La Societe Guernesaise and the Natural Trust also make significant contributions towards conservation, as do groups such as the Guernsey Conservation Volunteers and Men of the Trees.

Advocacy for Nature. Individuals and voluntary groups within Guernsey are strong advocates for nature conservation, contribute towards the public debate and act to counterbalance the States' decision-making process with regard to development. These include La Societe Guernesaise, the National Trust, local members of the RSPB and Men of the Trees.

Appendix 2

A Home for Guernsey's Hidden Treasures

Executive Summary

Introduction

A new museum store is the prerequisite for improving the storage of museum objects, improving public access, improving health and safety, improving staff efficiency and successfully completing projects such as the documentation backlog. The need for this has been identified in several papers since the early 1990's.

The Museum seeks a solution to the long-running problem of inadequate staff accommodation, sub-standard storage conditions for objects and lack of storage space. Irreplaceable pieces of Guernsey's heritage are under threat and the States does not achieve the optimum value for money given the inefficient conditions that staff are operating under.

Previous reports

In 2002, the States of Guernsey Heritage Committee produced a document entitled "Hidden Treasures". This followed on from concern being raised by Audit Commission reports of 2002 and 2001 about the inadequacy of the staff accommodation and object storage, which itself followed numerous internal notes back to 1995. A Health and Safety report of 1999 was also critical.

The 2007 National Audit Office report "Safeguarding Guernsey's Heritage Assets", Recommendations 5, 9, 12, 13, 15 all rest on the provision of improved storage. All these NAO recommendations are effectively in limbo until the accommodation issue is resolved. The Museum is also prevented from addressing other issues which are becoming urgent including the imminent return of the Roman ship and the refurbishment of Guernsey Museum in Candie Gardens.

An updated document "Hidden Treasures 2008" was appended to the Report for the Capital Prioritisation Process "Preserving Guernsey's National Treasures" which made the case for a new Museum Collections Centre at Longfield in 2008. This proposal was not supported by the States.

The crucial points to emerge from these various reports are:

- 1) The amount of space available for the storage of museum objects is wholly inadequate.
- 2) The current stores do not offer the kind of environmental control and physical security required to preserve the objects long term.
- 3) The working conditions for the staff would benefit from improvement.

- 4) The premises staff occupy and the temporary nature of occupation inhibit efficient working practices and value for money. Considerable management and audit time has also been expended on these issues over the past ten years, and continues to be expended.

The Scale of the Problem

The Museum has a responsibility not only to put objects on display for the public and the visitor, but to ensure these objects are properly cared for so that they can be studied and appreciated by future generations. The Service currently has over 43,000 “accession” records – where a record can relate to a single painting or a whole collection of coins. There are 800 boxes of finds from archaeological excavations, the natural history collections include over 20,000 insects and 16,000 other specimens and there are over 1200 weapons and 100 uniforms. Some of the objects are large, such as cannon, parts of ships and furniture. The collection is likely to grow as people continue to donate items to the museum, so it is essential that as much storage as possible can be created.

Some objects have individual valuations of £250,000 or more. Many of the items we hold are unique, hence “priceless”. The total value is inestimable but runs into tens of millions of pounds. Often they are fragile, being of cloth, paper, wood or iron that could easily decay during one lifetime if not stored and handled properly.

Museum objects require storage regimes specific to the material they are made out of. This means controlling the relative humidity, temperature and light levels as well as keeping the objects secure and free from dirt, dust, pests and vermin. Objects can be “attacked” by chemicals in paint, glue, varnish in their surroundings or from ordinary wood, cardboard, metal or paper they are in contact with, so need to be carefully packed.

We need more space for objects to be shelved or racked without risk of damage. Further, our buildings require improvements to the levels of environmental controls necessary to properly preserve the objects.

The Importance of the Reserve Collection

Few museums and galleries have the room to display their entire collection. Most display only a fraction, with the rest held in reserve collections. To fulfil its mandate the Museum must collect not only valuable and aesthetically pleasing items, but also the everyday objects which tell the story of the ‘ordinary’ Guernsey people. These can be brought out for temporary exhibitions, used to replace items on permanent display or be held for research or reference purposes. In many cases we have the only surviving example of pieces of Guernsey’s past.

Working conditions

Staff may require not only a desk, but adequate lighting and layout space in which objects, documents and displays can be worked on. Members of the technical staff require sufficient laboratory and workshop space which is properly equipped to allow them to perform their tasks skilfully and safely. This can include the conservation and

repair of objects and the preparation of objects, graphics and materials for Museums displays and publications. It should be remembered that each salaried member of the curatorial staff can be assisted by one or more volunteers or students.

Professional Standards

The Museums Service is fully accredited by the UK Museums, Libraries and Archives Council. This confirms the high level of professional standards applied by the staff, but also imposes obligations upon the Museum to conform to best practice. The present state of storage imperils this status, as well as the long-term health of the objects we are mandated to protect. It is unlikely that we would pass an on-site “audit” should the MLA commission one.

Previous Attempts to Solve the Problem

St John Street Store was employed in the late 1970’s as a “temporary” storage area. Additional properties have since been utilised on an ad hoc basis: some have subsequently been released (Les Osmonds, Bulwer Avenue, Castle Cellars) and some retained (Gibauderie Yard, Baubigny Arsenal, part of Les Islets Arsenal, Hermes House). The movement of objects between various temporary stores has come at a cost to the taxpayer and has been to the detriment of the objects. A commercial warehouse identified in 2006 could not be used as a new museum store due to zoning objections from the Commerce and Employment Department. The proposal to build a new store at Longfield developed between 2006 and 2008 was graded a “High Priority 2” by Treasury and Resources but failed to make the capital prioritisation programme.

In 2008 the Department was granted the use of the top two floors of Grange House by Treasury and Resources. The curatorial staff from St John’s Street (next door) were rehoused here which improved the workspaces available and increased the amount of storage space. The space created also enabled the museum to improve the technical workshop conditions. This acquisition has proved to be a major bonus to the Museums Service who are grateful for the continued support of Treasury and Resources towards solving the storage problems.

Competing Museum Projects

Successive delays in solving this issue since 2006 has meant major projects are now piling up awaiting museum staff attention, notably the housing of the Roman ship (due back in 2010), the redisplay of Guernsey Museum (overdue, as last done in 1994) and the completion of the documentation project required to meet MLA standards (due 2012). The museum must also maintain its programme of exhibitions, events and educational activities as well as responding to public enquiries and supporting other States Departments

Proposal

Outline Proposal:

1. The Museum takes over the ground floor of Grange House with immediate effect, meaning it is able to use the whole building.

2. Facilities at Grange House are developed, including:
 - modernised security
 - an object reception area (for public access to collections)
 - a photographic area
 - a quarantine area / laboratory (for wet or “dirty” work on objects)
 - a dry mounting area (exhibition preparation)
 - reconfiguration of curatorial work areas to make best use of space
 - archaeology staff move onto the ground floor, clearing space within St John Street to act initially as a “buffer” for work being done there. Subsequently to hold items from the telephone museum.
 - Archiving space is created on the top floor.

3. The environment and storage at St John Street, including the Back Quarters is systematically upgraded to modern standards. This will include;
 - roller-rack-mounting and other shelving for artworks
 - roller-racking for Social History and Natural History objects
 - roller bases for large objects, cabinets and chests
 - plan chests for 2D artworks, maps etc
 - fixed racking/ pallet racking for larger objects.
 - Standard commercial dehumidifiers if required

The use of modern storage systems will significantly increase the amount of material that can be stored and enable individual items to have adequate space and conditions.

4. Baubigny Arsenal is fitted with a mezzanine floor to ease the congestion of objects.

5. Objects are cleared from the stores at Castle Cornet.

6. Objects are cleared from the stores at L’Islet Arsenal, Gibauderie Yard and Hermes House (Telephone Museum) and those sites vacated.

7. Belle Greve workshop continues in use.

8. The request for a purpose built Museum Collection Centre will be withdrawn from Capital Prioritisation. Ultimately it may be re-introduced in a different form when future economic conditions permit.

Timescale

Because of the complexity of moving objects methodically, safely and successfully recording the collections; and within the limited staff resources available this project could take four to five years to complete successfully.

Assistance

The Department has been grateful for the support of Treasury and Resources and in

particular the staff of States Property Services (SPS) in drawing up this plan. A Project Plan, Risk Register and indicative costings have been prepared by SPS to enable this States Report to be better informed.

Overall Cost

Because of the long timescale of the project it is proposed that the Culture and Leisure Department has an increased capital allocation of £250,000 for the years 2011 – 2014 specifically to be used for this purpose.

Consequential benefits

1. It will permit the detailed proposals produced by the Museum in response to the 2007 NAO report to take place, including auditing and rationalising the collections and developing alternate displays. This will include some selective disposal of objects, which will ultimately ease the space problem.
2. Improved efficiency and value for money in both staff time and space utilisation.
3. The Telephone Museum can be closed in its current form and its contents moved to St John's St and Grange House; some objects will then be gradually incorporated into the permanent museum gallery displays at Castle Cornet and Guernsey Museum; some will be disposed of while the bulk will remain in storage.
4. Hermes House can be released back to Treasury and Resources once the Telephone Museum has been closed.
5. Progressively there can be a release of Gibauderie Yard and the space we occupy at Les Islets Arsenal.
6. Treasury and Resources is free to dispose of the Longfield site, previously allocated to the Museum Store, benefitting the public purse.
7. The £5m capital bid for a Museum Collection Centre is withdrawn.
8. The Museum does not have to organise a time-consuming and expensive move of the entire collection to a new site.

Overall Summary of Storage Requirements

Space Audit of Collections	Location of various collections	Current Storage Area m ²	Preferred Storage Area m ²
	Police Garage	245	320
	Baubigny	111	144
	Les Islets	99	130
	Gibauderie	60	75
	Candie	27	27
	Hermes Ho.	155	100*
	St Johns	87	185
	St Johns	107	160
	St Johns	43	55
	St Johns	15	20
	St Johns	6	8
	St Johns	296	390
	St Johns	112	112
	Total Space	1,363	1,726
*Note 1: telecoms will take up less space when stored than displayed			
Note 2: these figures make no allowance for acquisitions or disposals			

Summary of Sites, Projects and Costs

Site	Project	Cost
St John St:		
	Heavy Objects Store	£124,000
	Natural History Store	£56,000
	Natural History Small Store	£9,000
	Metals Store	£7,000
	Technical Workshop	£15,000
	Conservation Workshop	£17,000
	Conservation Workshop Storage	£22,000
	First Floor Hallway	£14,000
	Weapons Store	£22,000
	Photographic Store	£15,000
	Social History Store	£78,500
	Art Store	£50,500
Police Garage:	Temporary / in transit, storage area	£45,000
Back Quarters:	Archaeology Store	£65,000
Grange House:		
	Hallway	£8,000
	Boiler room	£12,500
	Meeting Room	£10,000
	Archaeology Room	£21,000
	Dry Mounting and Photographic Room	£14,000
	Quarantine Area	£10,000
	Frame Store	£10,000
	Natural History Room	£8,500
	Natural History Library	£4,000
	Social History Room	£11,500
	Object Reception and Registration Room	£10,500
	Gents toilet	£7,000
	Staff Kitchen	£7,500
	Library	£11,000
	Second floor hallway	£9,500
	Fine Art Room	£8,500
	Historic Sites Filing room	£2,500
	Historic Sites Office	£9,000
	Document Store	£11,000
	Ladies Toilet	£7,000
	Archive	£4,500
	Design Studio	£8,000
Baubigny Arsenal:	Mezzanine store	£40,000
Hermes House:	Telephone Museum clearance and vacation	£5,000
Subtotal:		£790,500
Contingency (25%):		£197,625
Grand total:		£988,125

Summary of Consequential Savings and Benefits

Saving/ benefit	Value
Sale of Hermes House	£500,000
Release of Longfield Site for re-use or resale	£3-4,000,000
Release of Gibauderie Yard	New Housing development
Withdrawal of Capital Project	£5,000,000
Improved staff efficiency (non-cash) at 5%	£10,000 p.a.

Glossary

“Accession” the process by which an object formally becomes part of the Museum collections. It is given a number and its details are recorded on the MODES computer database, often accompanied by a photograph.

“Disposal” the process by which the Museum disposes of an object by gift, sale, return to donor or destruction. If the object is an accessioned part of the collection, it will need to be formally “de-accessioned” and note made on its MODES record.

“Finds” are objects recovered from archaeological excavations, usually split into “small finds” such as coins or brooches which are of individual importance and “bulk finds” such as flint, pottery or tile which is mainly of value for research purposes and specialist analysis.

“Loans” are objects on loan to the museum but not owned by the museum (i.e. the States).

“Museum Object” an object which has been formally accessioned into the Museum collections and will have potential for research, display or retention for the benefit of future generations.

“Non-Museum Object” property of the museum which does not form part of the collections, including office furniture, display cases, architectural salvage, paperwork etc.

“RH” Relative Humidity. It is important that museum objects are held within a stable range of RH. Different objects have different preferred RH (metal is lower than wood or paper) but more important is that fluctuations are contained.

Appendix 3

Extract from the Museum's Statement of Policy Aims and Objectives, as updated January 2010

12. Disposal procedures

Disposal preliminaries

- a. The Board will ensure that the disposal process is carried out openly and with transparency.
- b. By definition, the museum has a long-term purpose and holds collections in trust for society in relation to its stated objectives. The Board therefore accepts the principle that sound curatorial reasons for disposal must be established before consideration is given to the disposal of any items in the museum's collection.
- c. The museum will confirm that it is legally free to dispose of an item and agreements on disposal made with donors will be taken into account.
- d. When disposal of a museum object is being considered, the museum will establish if it was acquired with the aid of an external funding organisation. In such cases, any conditions attached to the original grant will be followed. This may include repayment of the original grant and a proportion of the proceeds if the item is disposed of by sale.

Motivation for disposal and method of disposal

- e. When disposal is motivated by curatorial reasons the procedures outlined in paragraphs 12g-12s will be followed and the method of disposal may be by gift, sale or exchange.
- f. In exceptional cases, the disposal may be motivated principally by financial reasons. The method of disposal will therefore be by sale and the procedures outlined below in paragraphs 12g-12m and 12s will be followed. In cases where disposal is motivated by financial reasons, the Board will not undertake disposal unless it can be demonstrated that all the following exceptional circumstances are met in full:
 - the disposal will significantly improve the long-term public benefit derived from the remaining collection,
 - the disposal will not be undertaken to generate short-term revenue (for example to meet a budget deficit),
 - the disposal will be undertaken as a last resort after other sources of funding have been thoroughly explored.

The disposal decision-making process

g. Whether the disposal is motivated either by curatorial or financial reasons, the decision to dispose of material from the collections will be taken by the Board only after full consideration of the reasons for disposal. Other factors including the public benefit, the implications for the museum's collections and collections held by museums and other organisations collecting the same material or in related fields will be considered. External expert advice will be obtained and the views of stakeholders such as donors, researchers, local and source communities and others served by the museum will also be sought.

Responsibility for disposal decision-making

h. A decision to dispose of a specimen or object, whether by gift, exchange, sale or destruction (in the case of an item too badly damaged or deteriorated to be of any use for the purposes of the collections or for reasons of health and safety), will be the responsibility of the Board acting on the advice of professional curatorial staff, if any, and not of the curator of the collection acting alone.

Use of proceeds of sale

i. Any monies received by the museum governing body from the disposal of items will be applied for the benefit of the collections. This normally means the purchase of further acquisitions. In exceptional cases, improvements relating to the care of collections in order to meet or exceed Accreditation requirements relating to the risk of damage to and deterioration of the collections may be justifiable. Any monies received in compensation for the damage, loss or destruction of items will be applied in the same way. Advice on those cases where the monies are intended to be used for the care of collections will be sought from MLA.

j. The proceeds of a sale will be ring-fenced so it can be demonstrated that they are spent in a manner compatible with the requirements of the Accreditation standard.

Disposal by gift or sale

k. Once a decision to dispose of material in the collection has been taken, priority will be given to retaining it within the public domain, unless it is to be destroyed. It will therefore be offered in the first instance, by gift or sale, directly to other Accredited Museums likely to be interested in its acquisition.

l. If the material is not acquired by any Accredited Museums to which it was offered directly as a gift or for sale, then the museum community at large will be advised of the intention to dispose of the material, normally through an announcement in the Museums Association's Museums Journal, and in other specialist journals where appropriate.

m. The announcement relating to gift or sale will indicate the number and nature of specimens or objects involved, and the basis on which the material will be transferred to another institution. Preference will be given to expressions of interest from other Accredited Museums. A period of at least two months will be allowed for an interest in acquiring the material to be expressed. At the end of this period, if no expressions of interest have been received, the museum may consider disposing of the material to other interested individuals and organisations giving priority to organisations in the public domain.

Disposal by exchange

n. The nature of disposal by exchange means that the museum will not necessarily be in a position to exchange the material with another accredited museum. The governing body will therefore ensure that issues relating to accountability and impartiality are carefully considered to avoid undue influence on its decision-making process.

o. In cases where the Board wishes for sound curatorial reasons to exchange material directly with Accredited or unaccredited museums, with other organisations or with individuals, the procedures in paragraphs 12a-12d and 12g-12h will be followed as will the procedures in paragraphs 12p-12s.

p. If the exchange is proposed to be made with a specific accredited museum, other accredited museums which collect in the same or related areas will be directly notified of the proposal and their comments will be requested.

q. If the exchange is proposed with a non-accredited museum, with another type of organisation or with an individual, the museum will make an announcement in the Museums Journal and in other specialist journals where appropriate.

r. Both the notification and announcement must provide information on the number and nature of the specimens or objects involved both in the museum's collection and those intended to be acquired in exchange. A period of at least two months must be allowed for comments to be received. At the end of this period, the governing body must consider the comments before a final decision on the exchange is made.

Documenting disposal

s. Full records will be kept of all decisions on disposals and the items involved and proper arrangements made for the preservation and/or transfer, as appropriate, of the documentation relating to the items concerned, including photographic records where practicable in accordance with SPECTRUM Procedure on de-accession and disposal.

Appendix 4

Roman Wreck Position Paper

Background

The third century Roman ship found in St Peter Port harbour in 1982 was raised by the Guernsey Maritime Trust between 1984 and 1987. It was cleaned, recorded and published by 1991. Proposals to conserve the ship in Guernsey struck successive practical hurdles and it was sent to the Mary Rose Trust in 1999 for this work to be completed at the expense of the States of Guernsey. The conservation work will be complete by mid-2010 and parts of the ship are already ready to return. The Culture and Leisure Department has contracted with the Mary Rose Trust for them to store the ship until the end of 2010, with the possibility of this extending to the end of 2011. After 24 years, time has come for a decision to be made.

Importance

- The ship is Guernsey's most valuable and most unique museum object.
- It is the only sea-going Roman ship to survive from Britain and the largest and most intact Roman ship from Western Europe found outside the Mediterranean.
- It demonstrates that Guernsey has had a place in European trade networks for 2,000 years.
- When raised the ship had a high media profile, including a 1-hour BBC documentary which was subsequently repeated on a few occasions.

Display Requirements

- The ship is 18m long (of an original 22m+) and 5.5m wide, so will need to be displayed in a showcase at least 19 x 6 x 2 metres. This will be climate-controlled.
- It is in pieces, so will need to be re-assembled and supported, probably by a stainless steel and nylon frame.
- To obtain maximum benefit from the ship, it will need to be interpreted within a museum environment, including as a minimum text panels, maps and models.
- To make it come alive for the non-specialist visitor, it would ideally be supported by a modern audio / video presentation and computer graphics.
- Objects found on the wreck will need to be displayed.
- It could form the focus a more ambitious Maritime Centre to 'put Guernsey on the map' from a heritage standpoint.

- Lower specification options exist which are cheaper but will be less attractive to locals, visitors, sponsors and media.

Site Requirements

- A building will need to be constructed, extended or converted to museum standards.
- It will probably require toilets, a cafe and a shop. Both capital costs and running costs would be reduced if these already exist on the chosen site.
- It will need good public access, being close to a venue people already visit in numbers; to car parking and bus routes.
- It will need appropriate zoning for planning purposes.
- Over the years since 1985 The Guernsey Maritime Trust or the States of Guernsey has at times considered Victoria Road, North Side, South Side, Oatlands, The Halfway, Bulwer Avenue, St Barnabas, Woodcarvers/Strawberry Farm, the Airport, North Beach, White Rock, Castle Emplacement, Castle Cornet, Guernsey Museum (Candie), Fort Grey/Guernsey Pearl and the Slaughterhouse, amongst others.

Costs

It should be recognised that proper care of heritage comes at a price and museums are subject to the normal costs of commercial construction and design:

- The people of Staffordshire are attempting to raise £5 million to buy and conserve the Staffordshire Anglo-Saxon Hoard.
- The Cutty Sark repair and restoration project is looking for £35 million.
- The current project to reconstruct the Mary Rose within a new museum will cost £35 million.
- The Dover Bronze Age Boat (half the size of the Guernsey ship) cost £1.6 million to conserve and display in 1999.
- The Yorvik Viking Centre was refurbished in 2001 for £5 million and again in 2009 for £1 million.

These funds are raised by a combination of UK Government Grants, Lottery funding, celebrity-led fundraising and commercial activity. All of these projects are led by Trusts of various forms. The ideal route for Guernsey is to revive the Maritime Trust or create its modern successor which could work in partnership with the States.

Storage

Putting the ship into long-term storage would be cheaper than display, but would still require controlled environment and a significant amount of space. The cost would be of little public benefit as the ship could probably not be viewed by the casual visitor. There is a danger that putting the ship into store results in “out of sight, out of mind” and it would be difficult to raise any private sector enthusiasm.

Disposal

The question must be asked as to whether the ship is simply too important or too costly for Guernsey to keep. If there is insufficient enthusiasm from either the private sector or the States then the ship may not return to Guernsey at all. Alternative homes could be sought in the UK or in France or ultimately the USA, where the ship could possibly be eligible for funds not otherwise available were it to stay in Guernsey. A decision needs to be made as to whether this would be in the best interests of preserving this important piece of the Island’s heritage.

(NB The Policy Council has no comment on the proposals.)

(NB The Treasury and Resources Department has been aware for some time of the accommodation, storage and display requirements of the Museums Service and joint efforts have been made to meet these, albeit unsuccessfully to date. The Culture and Leisure Department should be commended for its patience and restraint and for the responsible approach that it has demonstrated in developing a response to the NAO's recommendations. It will be a matter for the States to decide later this year, as part of the States Strategic Plan debate, whether or not to prioritise additional funding to enable the Culture and Leisure Department to take forward some or all of the initiatives set out in this Report; the Treasury and Resources Department is certainly not unsympathetic to the more pressing of those initiatives.)

The States are asked to decide:-

XI.- Whether, after consideration of the Report dated 25th May 2010, of the Culture and Leisure Department, they are of the opinion:-

1. To note the response to the Public Accounts Committee's report on Safeguarding Guernsey's Heritage Assets which provides as requested clear and costed proposals on the future direction and strategy for safeguarding, storage, display and accessibility of the heritage assets of the Island.
2. To note the necessary actions and expenditure required to address these deficiencies.
3. To note that the additional funding required for the various initiatives set out in that Report will be subject to prioritisation as part of the States Strategic Plan process.

PANEL OF MEMBERS

(constituted by The Administrative Decisions (Review) (Guernsey) Laws 1986-1993)

REPORT OF COMPLAINTS RECEIVED IN 2009

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

18th May 2010

Dear Sir

Section 8 of The Administrative Decisions (Review) (Guernsey) Laws, 1986-1993 requires me to submit an annual report on the complaints received by the Chief Executive of the States and Her Majesty's Greffier.

Section 1 of the Law provides that all applications for a matter to be reviewed by a Review Board shall be made to the Chief Executive of the States except where the matter complained of relates to the Policy Council and its staff, in which case the application is made to HM Greffier.

In the course of 2009 the Chief Executive of the States received three complaints relating to:

1. The Education Department – a complaint regarding primary school catchment areas: this complaint was resolved without recourse to a Review Board.
2. The Education Department – a complaint relating to special needs provision: this matter remained under consideration at the end of the year.
3. The Environment Department – a complaint regarding large vehicle driving tests: this matter remained under consideration at the end of the year.

No complaints were received by HM Greffier during 2009.

Yours faithfully

R R Matthews
Chairman

(NB The Policy Council has no comment on the proposal.)

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

The States are asked to decide:-

XII.- Whether, after consideration of the Report dated 18th May, 2010, of the Review Board constituted under the Administrative Decisions (Review) (Guernsey) Laws, 1986 – 93, they are of the opinion:-

To note that Report.

PUBLIC ACCOUNTS COMMITTEE

EDUCATION DEVELOPMENT PLAN 1 POST IMPLEMENTATION REVIEWS

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

7th June 2010

Dear Sir

1. Executive Summary

- 1.1 This report is based on the evidence gathered by the Public Accounts Committee (“the Committee”) from four Post Implementation Reviews (“PIRs”) of the Education Department’s capital projects (Sixth Form Centre, Le Rondin, Performing Arts Centre and Baubigny Schools) within the first phase of the Education Department’s Education Development Plan (“EDP1”), plus a further report on the application of lessons learnt to the Baubigny Schools project and also evidence gathered during a hearing conducted by the Committee.
- 1.2 It is important that lessons learnt after completing one project are taken, noted and instituted prior to the commencement of the next project. Reference to Appendix I does not indicate this was always the case with some projects commencing prior to PIRs being ‘signed off’. As an example Le Rondin was operational from September 2005, the PIR was drafted in June 2007 and finalised (‘signed off’) in November 2008 with the next project commencing in August 2004 and the third commencing in June 2005.
- 1.3 **Since 2006 the Committee has requested completion of the PIRs for the EDP1. The first PIR was received in late 2008 and the remainder during 2009.**
- 1.4 Section 5 of this report highlights the important lessons learnt through the Education Department carrying out a number of large projects in a short period of time where new projects have been commenced prior to others being completed.
- 1.5 The Committee has determined from the EDP1 that the order of projects within the Education Development Plan has not been questioned and that the programme has progressed in a pre-determined concurrent and consecutive order, broadly in accordance with the intentions established in 2002. A re-evaluation of that programme might now identify cost savings.

- 1.6 During the hearing the Education Department representatives clearly stated that the Department's duty is to educate and not to project manage; however, it took a lead role in the management of the four projects in question.
- 1.7 The historic nature of the PIRs means that although the Education Department had, on occasions, been in receipt of PIRs for a considerable time and the fact that they were not signed off, there was a risk that those good and bad practices identified, were not taken into account in later projects.
- 1.8 For reasons explained herein, this report is an historical document and as such any recommendations that might have been made in the immediate aftermath of completing these projects are now obsolete. If the systems and processes relating to procurement and project execution *viz.* Gateway Reviews and project boards etcetera that have now been put in place had existed at the time of these projects, it is likely that many of the problems identified by the various PIRs would not have occurred. Therefore the Committee is simply recommending that the States note this report.

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. **In addition the Committee will endeavour to ensure that proper scrutiny is given to the States' assets, expenditure and revenues and to oversee that States' bodies operate to the highest standards in the management of their financial affairs.**
- 2.2 The Committee has a particular interest in ensuring that both good and bad practices identified from one capital project are accepted by all Departments. Therefore the Committee has been promoting the timely finalisation of independent PIRs on completed capital projects so that this information is available for dissemination across the States.
- 2.3 Some parts of the EDP1 PIRs are commercially sensitive, but, where relevant, those parts the Committee considers will be beneficial to the proper execution of future projects are quoted.

3. History of the Education Development Plan

- 3.1 In May 2001 (Billet VII), the States resolved:

Figure 1

- | |
|--|
| <p>“1. To instruct the States Education Council to retain the Grammar School as an 11 to 18 institution incorporating a Sixth Form Centre.</p> <p>2. To instruct the States Education Council to report back to the States as soon as may be with proposals to develop three new High Schools; such proposals to include outline costs for the complete development.</p> |
|--|

3. To instruct the States Education Council to report back to the States with proposals to develop an improved College of Further Education on its existing site, or such alternative site as that Council considers appropriate; such proposals to include outline costs for the complete development.”

Source: Billet d’Etat VII, 25 April 2001, Resolution 10 May 2001, page 43.

- 3.2 The ensuing time elements are to be found in Appendix I.
- 3.3 The 2002 Billet laid out the basic Educational Principles but at the same time laid out the Design Principles, which are found in Figure 2.

Figure 2

“Design Principles

The planning of the new buildings should provide for:

- high design quality
- flexibility of space
- energy efficiency
- whole life cycle maintenance awareness
- maximisation of natural light and ventilation
- ICT capability
- cost efficiency
- environmental compatibility
- timely completion
- a safe but inviting environment
- minimisation of disruption during construction”

Source: Billet d’Etat VI, 24 April 2002, Table 2 Principles, page 427.

- 3.4 These proposals were based on secondary and post-16 education remaining selective and raising the leaving age to 16, reducing the number of secondary schools from 4 to 3, and rejecting a further reduction to 2.
- 3.5 The role of the proposed position of Project Manager encompassed:

Figure 3

“The overall Project Manager will report to the Council as a member of its senior management team with a sole focus on the Site Development Plan. The overall Project Manager will be responsible for deciding on the project strategy, coordinating the input from the other members of the project team and reporting to the Project Board on all issues relating to the project. The role will evolve as progress is made on implementation, but in the early stages will encompass coordination of the Council’s input to the plan, preparation of a project execution plan, advising on the appointment of a team of professional advisors, including project managers for individual projects, undertaking option appraisals and strategic planning for each of the individual projects.”

Source: Billet d’Etat VI, 24 April 2002, page 443.

- 3.6 As set out in the States Report of 2003¹, King Sturge, the appointed project managers, had identified that a maintenance policy would be created for each school, providing the maintenance budget for the life of the building. The States approved that and the construction of the Phase 1 projects, with the secondary schools in the North being constructed at Les Nicolles even though MPM Capita (consultants appointed to review the two sites) and Ove Arup (consultants reviewing the impact of increased traffic) **both recommended Belgrave as the preferable site², against the King Sturge recommendation of the Les Nicolles Vinery site.**
- 3.7 In accordance with the accepted practices of that time, a strategic review was completed using the Economic Model to measure the impact of the phased capital projects on the construction industry and the States cash flow.
- 3.8 The proposals put before the States in 2004³, divided the College of Further Education (“CFE”) project into four stages:
- | | |
|---------|--|
| Phase A | Multi-purpose hall and teaching spaces |
| Phase B | Minor refurbishment of existing St Peter Port School to allow Brock Road and Grange House CFE functions to relocate pending construction of new facilities |
| Phase C | Construction of new CFE facilities enabling closure of existing school to be demolished |
| Phase D | Final phase of CFE facilities enabling closure of Le Coutanchez site. |

¹ Billet d’Etat III, 26 February 2003.

² Billet d’Etat III, 26 February 2003, page 311.

³ Billet d’Etat II, 25 February 2004.

- 3.9 Having considered its capital prioritisation plans for the period 2009 to 2012, the States have approved in principle, and subject to further approval of detailed individual capital project proposals, the College of Further Education Phase 2b work of £2.7m (conversion of St Peter Port School for College of Further Education use) and Les Beaucamps School at £38.15m which also allowed progress in planning for the next stage.

4. Independent review of the EDP

- 4.1. The Education Development Plan is one of the larger capital programmes undertaken by the States. Over a period of time it is estimated that the Plan will, at 2002 costs, total in excess of £182.5m.⁴ With this in mind, from inception to completion, careful scrutiny has occurred on the projects on an ongoing basis to ensure that the tax payer is receiving value for money and that the projects remain essential rather than only being desirable. Furthermore, and particularly at this time of fiscal restraint, it is essential that the newly built estate has been designed so that the cloth has been cut to serve the means.
- 4.2 In relation to the EDP1, Cambridge Project Ltd, a consultancy firm with experience in public sector developments and access to education expertise was commissioned to review the approach to and effects on the construction industry and education. Initial findings were considered in December 2003. Issues raised related to the overspend situation at Beau Sejour and difficulties encountered regarding that project; the order of builds within the Education Development Plan; the size of the schools and whether larger schools would be more cost effective; and the effect on the local construction industry.
- 4.3 In its commentary to the Policy Letter of February 2004, the Advisory and Finance Committee explained that Cambridge Projects Ltd had concluded that two large schools were preferable to three as not only would capital and revenue expenditure be lessened but educational benefits would be achieved; larger class sizes would reduce building expenditure; and benefits from rephasing the developments over the same time scale. Despite a majority of that Committee not supporting the College of Further Education Phase A proceeding at that time and concern that the sequencing of projects must reflect the Education Council's priorities and not result in the creation of "stranded assets"⁵, the States approved the proposals put forward by the Education Council.
- 4.4 A further review was commissioned in September 2004 by the Treasury and Resources Department and resulted in the Godwood report, which stated that a reduction of 30% on the proposed St Sampson's High School area could be achieved. This was strongly rebutted by the Education Department and a further review was commissioned by the Treasury and Resources Department which led to a reduction in the floor area of 1,750sqm, contributing a saving of £3.4m. The

⁴ Education Development Plan: Programme 1: Sixth Form Centre - Internal Audit report prepared by Contractauditline, October 2007, page 3.

⁵ Billet d'Etat II, 25 February 2004, page 211-215.

Education Department reluctantly agreed to this. The school was redesigned and led to a delay of six months and abortive costs⁶.

- 4.5 It is common with sizeable contracts for internal audit to review them as they develop to ensure the probity and validity of payments. With this in mind the Treasury and Resources Department's internal audit appointed Contractauditline to carry out reviews on the Sixth Form Centre, Le Rondin and College of Further Education between October and December 2006. In an ideal situation this work should have been carried out at an earlier stage. Although the fieldwork was carried out and reports drafted, two marginally deficient reports remain outstanding with only the satisfactory⁷ report being finalised. Internal Audit reports are internal documents, to assist management in ensuring that there are appropriate internal controls in place, and as such are not public documents. **There has been no follow up on these reports nor finalisation of the two outstanding reports due to limited internal audit services in the States, even though the Education Department challenged much of what was said.**
- 4.6 From January 2006 to the receipt of them in January and April 2009, the Committee pursued the completion of the PIRs on completed capital constructions undertaken through the EDP1, by sending letters and e mails, holding meetings and asking Rule 6 questions. PIRs provide real experience on the ways in which the whole States can learn from and improve upon the operation of future projects and any delay in signing off the reports could well have detrimental effects on subsequent projects. Independent PIRs offer partly subjective and partly objective balanced views on how a project was managed and whether the project met its aims, objectives, and specific requirements and delivered the planned levels of benefits. This process is now mandatory, being a requirement of the Construction Code of Practice 4, approved by the States in September 2009.
- 4.7 In May 2009, a hearing was held by the Committee on the PIRs received in respect of:

Sixth Form Centre – Grammar School

Le Rondin Special Needs Centre

College of Further Education Phase A – The Performing Arts Centre

Baubigny Schools – Part One

together with the overall 'Lessons Learnt' document. Present at the hearing was the Chief Officer, Education Department, supported by key staff from the

⁶ Baubigny Schools, Guernsey - Post Implementation Review, April 2009, NorthGates Ltd., page 5.

⁷ Satisfactory – no key weaknesses, marginally deficient, on the whole satisfactory with one or more key weaknesses identified or numerous minor weaknesses.

projects as well as a senior member of the States Property Services staff, representing the Treasury and Resources Department. In his opening remarks at the hearing the Chief Officer informed the Committee that where the PIRs contained commercially sensitive information there could be serious repercussions for the States if this was published.

- 4.8 The Committee considered commissioning a full review of the management structures in place for the four projects, but determined that the delay occasioned to this report would not be in the best interests of the States.
- 4.9 The remainder of this report highlights the areas of concern that the Committee has with this extensive programme of capital work, based on the PIRs, the hearing, its knowledge of the Construction Codes of Practice and other property matters, and as a result of its past experience on other capital projects.

5 Lessons Learnt

- 5.1 At the hearing it was stated that the Education Department is proud of what it has achieved in progressing the modernisation of its estate. Although the size of the St Sampson's High is less than originally envisaged, the Education Department now has a new Sixth Form Centre and Performing Arts Centre as well as replacement High School and two Special Needs Schools to provide the right environment to educate in the twenty-first century.
- 5.2 The Committee noted that the PIRs, commissioned by the Education Department, were not required to review whether the capital programme was delivered in the right order to ensure optimum value for money in the transition from old to new builds, nor the effect of delay on the condition of the existing estate considered for future development.
- 5.3 **The Committee believes that omitting such a review is a weakness and that it is possible, although not proven, that there may be or may have been financial benefits by progressing the Education Development Plan in a different order, bearing in mind that there is not only the cost of the construction, but maintenance, staff, school supplies and premises costs.**
- 5.4 On initiating any capital project there are decisions to be made on what is actually needed, setting project briefs and project planning. In order to ensure that the builds were at the educational cutting edge the Education Department team visited new modern schools off island and carried out extensive research⁸.
- 5.5 As with many capital build projects, problems in the original design were encountered for the earlier schools as the Education Department was encouraged to value engineer in order to reduce costs. In respect of the Performing Arts Centre many of the issues raised on design which on hindsight would have been

⁸ "Have lessons learnt from previous EDP1 Post Implementation Reviews, been adopted on the Baubigny Schools project?" NorthGates Ltd., February 2009, page 3.

done differently were caused as a result of a cost cutting value engineering process⁹, see paragraph 5.20 below.

- 5.6 **The approval by the States of the Capital Prioritisation programme¹⁰ and the Construction Codes of Practice¹¹ should help ensure a more corporate approach to future projects.**
- 5.7 In April 2002, the Education Council was awarded £4m to cover the costs of a Project Execution Plan (“PEP”¹²), formulating proposals for the initial projects and to finance the team who helped draw up this plan. The PEP fine tuned the information in the business case and the Education Council drew up a generic framework PEP. However, this living document was not always kept up to date throughout projects and it was not project specific¹³, which would have ensured that the projects were planned carefully and thoroughly and have provided members joining the project team part way through a project with information concerning the full history and developments relating to a particular scheme.
- 5.8 **In a PIR it was reported that in some cases proper records were not fully kept as projects are developed. The lesson learnt from these builds is that each should have its own PEP and that a Department should not rely on a framework PEP, and that it should be kept fully up to date. Furthermore all documents necessary for a construction project should be made easily accessible to all on the project team, particularly where there is a considerable staff turnover.**
- 5.9 In any project it is important to ensure that the team on the project brings the right experience and skill mix to ensure successful completion of the projects. The staff of the Education Department have admitted that they embarked into the Education Development Plan with little experience in building schemes. It was for this reason that they appointed outside consultants to help them in areas where they were inexperienced. However, this did not mean that there were no problems in this area and often contracts for the consultants were not finalised or signed and in some cases consultants were replaced.
- 5.10 On some projects a consultant undertook two or more roles, which could have resulted in problems with conflict. The same consultancy firm for the Sixth Form Centre, for example, was Client Representative, Project Manager and

⁹ College of Further Education, Phase A (The Performing Arts Centre), Guernsey - Post Implementation Review, NorthGates Ltd., draft issued March 2008. Amendments incorporated to form final report in December 2008, page 4.

¹⁰ Billet d’Etat XXIV, Vol. 1, September 2009, page 1814.

¹¹ Billet d’Etat XXIV, Vol. 1, September 2009, page 1784.

¹² A Project Execution Plan is the core document in a project, which outlines policies and procedures and scope of the project.

¹³ Le Rondin, Special Needs Centre, Guernsey - Post Implementation Review, NorthGates Ltd., drafted June 2007. Amendments incorporated to form final report November 2008, page 9.

Assistant Client Representative. At the hearing, the Committee was told that no advisor or consultant was on more than two projects at a given time. This internally accepted practice should be tested to ensure that it is not detrimental to the States and result in additional costs as the commitment from consultants across the projects has “perhaps been mixed.”¹⁴

- 5.11 Each project had its own management team, with a mix of in-house Education staff and consultants. The Building Operations Director and the Clerk of Works, who had limited knowledge on mechanical and electrical engineering, which resulted in specific problems in the latter stages of two of the projects.
- 5.12 Previous experience of building schools was limited, with the project sponsor and design champion involved in previous school builds. His involvement as Project Sponsor brought some consistency to each project team. However, as stated in a previous report of the Committee¹⁵, this involvement was in addition to the demands of the normal job of being Chief Officer of a busy Department.
- 5.13 The PIRs indicate that the project management teams were larger than expected but this was mainly because some were on the overall Education Development Plan team and others project specific. Whether a smaller team, thus saving costs, could have provided the same end product was not covered in the PIRs although the PIRs generally considered the structures to have been appropriate.
- 5.14 The frequent change in the project teams for each project whether Education Department staff or consultancies, came at a cost as familiarisation of the EDP1, individual past projects and establishing a role in the team all took time and hence cost.
- 5.15 The success of a project also relies on selecting the right contractor to carry out the project following a tender process. Not only does the paperwork for the tender process have to be full, complete and accurate, the selection process following the tender must be robust and fair, with the right choice of contract type. It is also important to ensure that there is the right working environment and rapport with the contractor.
- 5.16 There were three contractors on the four building projects. The experience gathered by the Education Department from the use of different contractors should be beneficial to the States as it embarks on its programme of capital projects.
- 5.17 Two of the projects involved the same local contractor with experience in building schools in Guernsey and although there were problems these were quickly resolved. For example problems at the Sixth Form Centre were

¹⁴ “Have Lessons Learnt from Previous EDP1 Post Implementation Reviews, been adopted on the Baubigny Schools Project?” NorthGates Ltd., February 2009, page 3.

¹⁵ “Review into the Beau Sejour Redevelopment”, Billet d’Etat III, January 2006, para 1.4, page 255.

absorbed by the contractor in accordance with the terms of the contract. The PIRs stated:

Figure 4

“It perhaps is not by chance that the two projects involving a predominately local based Contractor have been seen to provide relatively smooth construction stages with strong client, contractor relationships.”

Source: “Have lessons from previous EDPI Post Implementation Reviews, been adopted on the Baubigny Schools Project?” Northgates Ltd., February 2009, page 3.

One main problem identified on the Performing Arts Centre project was a high turnover of contractor staff.

- 5.18 There has been no consistency in the choice of contract used on the four projects, one even changing after the tender submission, without consultation with other contractors or offering them the opportunity to resubmit a price under the alternative contract. **The abortive costs¹⁶ involved for both parties and the loss of reputation of the States through this indecisiveness does not provide best value for the States.**
- 5.19 The PIRs indicated that changes to the form of contract in respect of the Performing Arts Centre were a major factor leading to the withdrawal from the tender process by one of the local contractors¹⁷. This contract was subsequently let on cost alone with quality only being marked following a post tender meeting. Although the PIR indicates that this is usual with this type of contract, it is not now in accordance with the mandatory Financial and Resource Management rules on procurement where the evaluation criteria is part of the tender process.
- 5.20 In respect of the Performing Arts Centre, additional changes as a result of value engineering were not finalised before the contract was let and this led to additional costs and delays¹⁸, especially since the contractor claimed for expenses as a result of late information, in accordance with its contractual right. Therefore the benefits from reducing costs from value engineering did not materialise as the savings were diverted to settle claims.

¹⁶ EDP: Programme 1: College of Further Education and Sixth Form Centre, Internal Audit Reports prepared by Contractauditline

¹⁷ College of Further Education, Phase A (The Performing Arts Centre), Guernsey - Post Implementation Review, NorthGates Ltd., draft issued March 2008. Amendments incorporated to form final report in December 2008, page 19.

¹⁸ Ibid 18, page 21.

Figure 5

School	Contract Type	Contract Signed
Le Rondin	GC Works Two stage Design and Build Contract.	Work started December 2003 with the contract signed on 7 April 2004
Sixth Form Centre	JCT Traditional Lump Sum based on measured Bills of Quantities. Changed to Design and Build following tender award.	Work started August 2004 with the contract signed on 19 November 2004
Performing Arts Centre	JCT Two Stage Design and Build contract. Changed to JCT Traditional Lump Sum contract based on Bills of Quantities.	Work started 6 June 2005 and the contract signed on 14 June 2005
Baubigny Schools	JCT Two Stage Design and Build contract using a JCT Standard Form with Contractors Design.	Work started June 2006 and the contract signed on 17 November 2006

Source: Post Implementation Reviews by NorthGates Ltd.

- 5.21 Another failing previously noted by the Committee is that contracts are not signed early enough. The contracts for the EDP1 were no exception as demonstrated in Figure 5 above. None of the four contracts were signed before the work commenced. A similar situation occurred with the contracts for the appointment of the consultants. A main contributor to the delay was the “Guernsifying” of the contract, which involved amending a 33-page contract, and the delays due to the then under-resourced Law Officers’ Chambers. This situation not only applies to the main contractor but often to consultants and specialised advisors.
- 5.22 **The Committee is concerned that the States continues to commence work with contractors and consultants under letters of intent and without the formal protection of a contract.** Although generally this has not caused the States problems in the past it only needs one dispute for the States potentially to lose considerable amounts of money without adequate protection.
- 5.23 In respect of Le Rondin, the contract completion certificate was completed 6 months¹⁹ after the school had been occupied and was opened before the works had been completed in accordance with the contract. Although the Committee

¹⁹ Le Rondin, Special Needs Centre, Guernsey - Post Implementation Review, NorthGates Ltd., drafted June 2007. Amendments incorporated to form final report November 2008, page 37.

was informed at the hearing of the parties consulted prior to occupation, there was no documentation presented to the Committee to indicate the recording of the decision process, consideration of the risks and those consulted. On all four projects the full records of the risk assessment and revisions thereof were not available. The Committee also notes that full risk assessments of important decisions were not considered (such as commencing work before gaining appropriate statutory approval)²⁰.

5.24 The Committee promotes the full recording of all aspects of a development so that major decisions and the reasons why they were determined and the risks analysis supporting the action taken are available for a full audit and review.

5.25 When presenting the findings of the PIR on the Beau Sejour redevelopment in 2006, some people expressed surprise on the number of snags (996) identified at the end of the project. With every construction project there are snags to be rectified, but to some extent the number of snags is influenced by how they are recorded – sometimes the same snag can be recorded as one or in each room it occurs. However, bearing this in mind, the snags for the completed projects as reported in the PIRs on the EDP1 were as follows:

▪ Le Rondin	5,000
▪ Sixth Form Centre	2,000
▪ Performing Arts	3,076
▪ Baubigny Schools	3,000

Even though by far the biggest project, the snags for the Baubigny Schools had reduced to 700 after 4 weeks. The severity of snags and the speed of rectification must always be considered.

5.26 Often a project's success is determined by whether it has been completed on time, on budget and to the quality originally envisaged. In respect of these four projects timing was all important, driven by the need to be operational for the beginning of a school year, and/or long planned opening ceremonies. For instance, there was a two month delay on the Sixth Form Centre caused by the design and tendering process, further delays during the ground works phase, waiting for the arrival of roof slates and a Royal visit, yet was still able to open for the 2005/06 school year, completing outside work on 28 August 2005. The Committee commends the project and construction teams in respect of this.

²⁰ College of Further Education, Phase A (The Performing Arts Centre), Guernsey - Post Implementation Review, NorthGates Ltd., draft issued March 2008. Amendments incorporated to form final report in December 2008, page 27.

- 5.27 Difficulties were encountered during the Le Rondin build: the parent company of the contractor went into liquidation at the end of the project; and the company undertaking the ground work had also gone into liquidation at the start. The quality of the work undertaken was, according to documentation seen by the Committee, inferior to other builds on the EDP and the decision that the building was deemed fit for occupation was made, even though the works were not complete. This was influenced by the former accommodation being declared unfit for purpose. Although the school became operational in September 2005, defects and incomplete works were still unresolved some 20 months later. However, the new build is described as “high quality, modern and well resourced”²¹. Although built for 150 pupils, numbers were, and still are, considerably under that level.
- 5.28 By the third project (the Performing Arts Centre), the first of four phases for Further Education in Guernsey, the problems encountered by the previous two projects should have been rectified. The PIR states that “the building has achieved the identified project scope and other than being completed later than programmed, achieved the proposed key criteria”. Although it is now establishing itself as an amenity for use by the whole community, the PIR indicated that it was underutilised in respect of its main purpose of training students in performing arts. Furthermore additional costs have been incurred due to the isolation from the rest of the Further Education campus and the out of work hours demanded in supporting such a building.
- 5.29 However, the PIR goes on to indicate that the Centre was completed three months late as a result of changes to the procurement route, delays in design, tenders submitted over budget leading to value engineering, the construction contract being let before the design was finalised, late design information given to the contractor delaying the construction programme and finally defects at contract completion which were still unresolved 15 months later.
- 5.30 Finally, when the fourth and largest build was undertaken at Baubigny, many of the problems encountered on the earlier projects did not arise, but in this instance the problems were encountered at the pre-contract stage and in determining the location and design. A number of reviews (as outlined in section 4) were undertaken to ensure that the scheme was not too ambitious and costly. Designs were reduced, as were some costs, through value engineering, with the eventual cost of the build not coming in over-budget due to the co-operation of the contractor. Further details on the suitability and details of costings of the build will be in Part B of the PIR, which has yet to be compiled.
- 5.31 During the Baubigny project, the composition of the Project Board included representation of the Treasury and Resources Department board and staff for the first time. The involvement of the Treasury and Resources Department at this

²¹ Le Rondin, Special Needs Centre, Guernsey - Post Implementation Review, NorthGates Ltd., drafted June 2007. Amendments incorporated to form final report November 2008, page 7.

stage “enhanced the confidence and trust between all parties and allowed the project to be put first at all times”²².

- 5.32 The documentation and records for the Baubigny schools had improved, but the Critical Path for the programme, which itself was an improvement because there had been no critical paths on the earlier projects, was not updated. A critical path plan assists in the identification of delays and is of assistance should there be a dispute between the parties. Even a four week delay caused by the window supplier going out of business was absorbed by the contractor in order to complete the project on time. Planned preventative maintenance schedules, which had not been produced on their previous builds (Sixth Form Centre) were produced for this latest project.
- 5.33 Communication regarding the progress of the projects was well managed, with newsletters being produced and school liaison established throughout the project development. However, within the project, communication between the project team should be structured and hierarchical to ensure that all the construction team are fully aware and understand changes or developments on the project. At Le Rondin this discipline was not followed and in some circumstances directions were given direct to consultants and contractors by the members of the project team.
- 5.34 Whilst the PIRs were produced generally on time the Education Department has taken a long time to sign them off and the delays have meant that the usefulness of lessons learnt has been limited.

6 Conclusions

- 6.1 **The Committee has experienced difficulty in obtaining the PIRs in a timely manner and has expended much time and effort in bringing the review of the four Education projects into the public arena.**
- 6.2 However, the Committee is concerned that the whole ethos and reason for major construction capital projects within the Education Development Plan has not been formally re-visited and reconsidered to show that value for money is achieved and is indeed suitable to the size of the Island. The Committee considers that this should become part of the Financial Transformation Programme as long term financial savings may be achieved, either through the value for money or financial asset management work streams.
- 6.3 The Committee acknowledges that this report is based on historical evidence and has made comments on what it regards as faults and problems historically encountered during the building of the four schools reviewed. **The Committee recognises that many of the causes of such problems have now been eliminated.**

²² Baubigny Schools, Guernsey - Post Implementation Review, NorthGates Ltd., April 2009, page 16.

6.4 **Over the past three years the Committee has been involved in meetings with the relevant section of the Treasury and Resources Department with the sole view of overcoming many of the problems historically encountered in a number of construction projects.**

6.5 The Committee believes that although there is no such thing as a problem free construction project, the various codes and gateway reviews that have been established by the States, following input from the Committee and others the new processes, should ensure that many of the problems previously encountered will be eliminated.

7 Recommendations

7.1 The Public Accounts Committee recommends the States:

To note the contents of this Report.

Yours faithfully

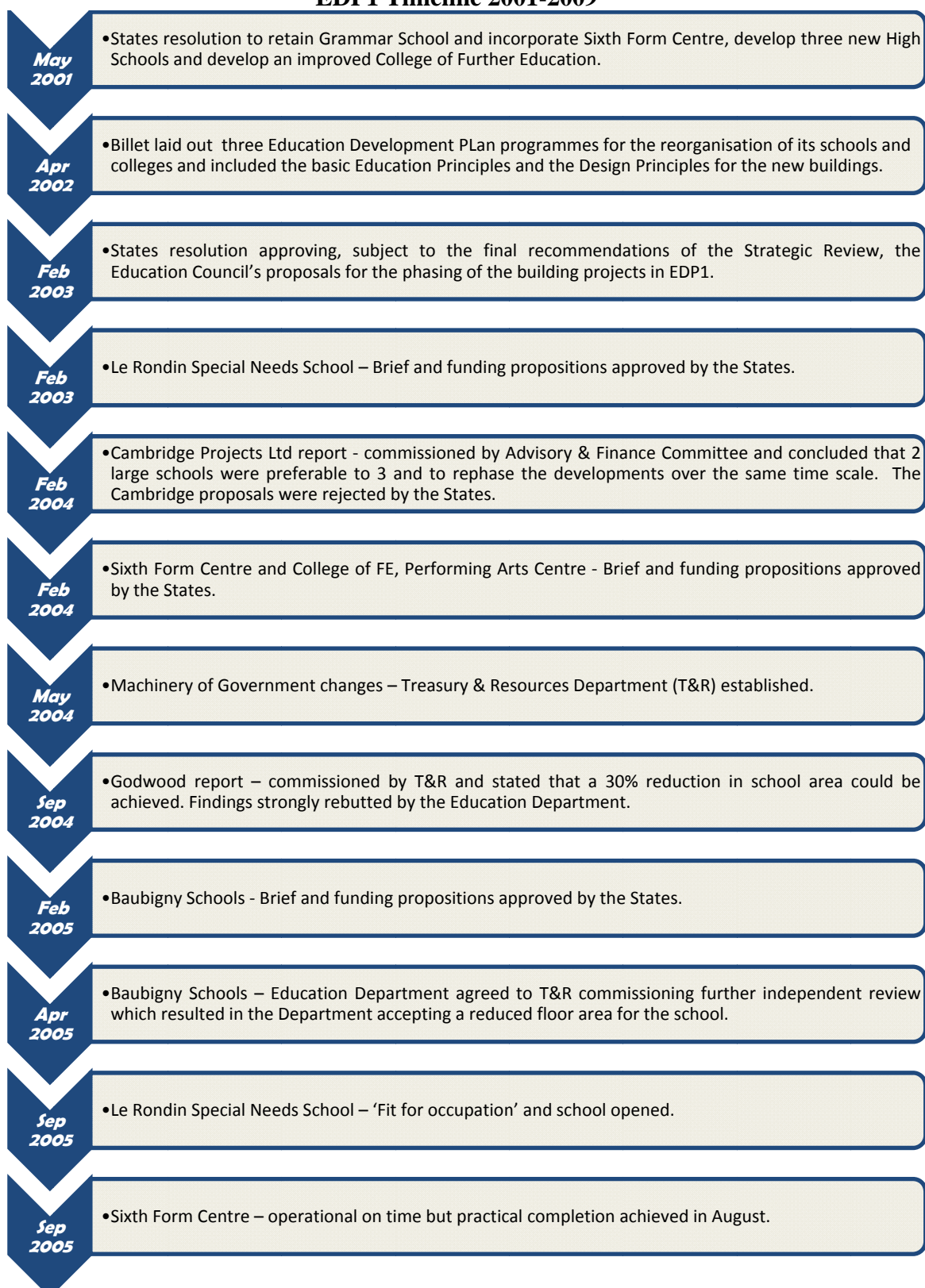
L R Gallienne
Chairman

Please note that, due to a conflict of interest, the under mentioned member of the Public Accounts Committee did not participate in the process leading to the production of this Report:

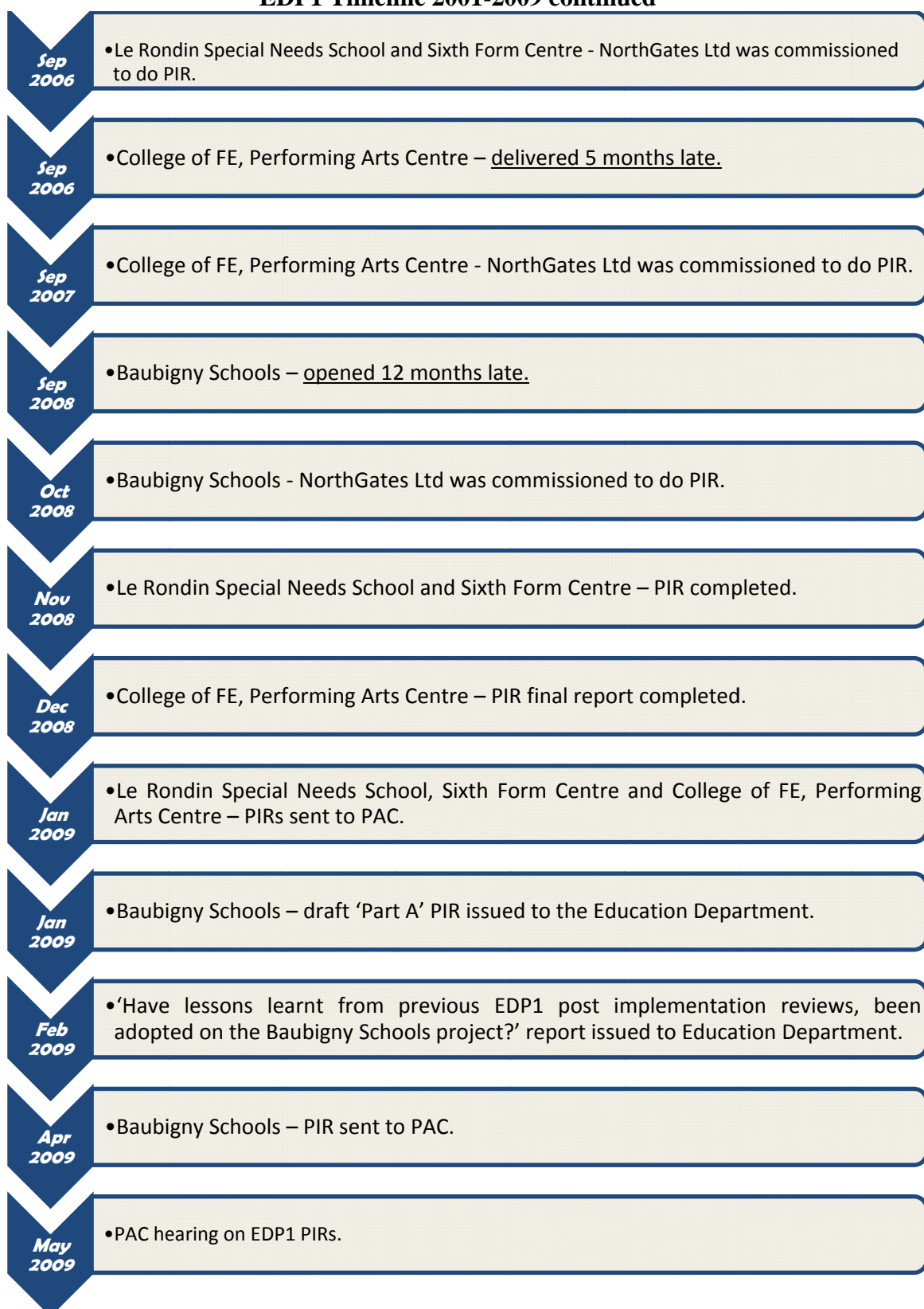
Deputy Jane Stephens

Reason: Former Headteacher, Le Rondin

EDP1 Timeline 2001-2009



EDP1 Timeline 2001-2009 continued



Source: Post Implementation Reviews and other evidence provided, compiled by the Public Accounts Committee.

Appendix II

SUMMARY OF PROGRAMME AND COSTS OF EDUCATION DEVELOPMENT PLAN FROM 2002 TO NOVEMBER 2009

<u>Sites</u>	Proposed Construction Dates		2002 estimated costs @ £1800 /m ²	Approved Budget and date of approval	Actual Construction Dates		Actual cost to date Nov 2009
	Start	Finish			Start	Finish	
1. A new build Special Needs Centre at a site adjacent to the Forest Schools playing fields to include: Primary Special School for 150 pupils aged 4-11, Multi-agency Pre-School Nursery and Assessment Centre, Administration Centre for Special Education Support Services, Child Development Centre (HSSD)	Jul 2003	Jul 2005	£7.7m	£13.9m Feb 2003	Sep 2003	Sep 2005	£13,644,496
2. A new-build College of Further Education (CFE) at the St Peter Port Secondary School site to include: Youth Service, Youth Theatre facilities and a Business School over 4 phases. The existing secondary school building to be demolished.	Jan 2004	Dec 2007	£22.8m	Phase A £8.13m Feb 2004	Jun 2005	Nov 2006	£7,955,014
3. A new-build Sixth Form Centre block on the Grammar School site.	Jan 2004	Dec 2005	£2.7m	£5.58m Feb 2004	Jun 2004	Aug 2005	£5,290,368
4. A new-build 720-pupil co-educational 11-16 school at the Les Beaucamps site.	Jul 2004	Dec 2006/ Jul 2007	£16.8m		TBC		£1,042,400
5. A new-build 720-pupil co-educational 11-16 school and a Secondary Special School at a site in the North of the Island.	Jul 2004	Dec 2006	£16.2m £7.2m	£44.4m Feb 2005	Jun 2006	Aug 2008	£42,526,497

6. The temporary use of Longfield as a Centre for Pupils with Emotional and Behavioural Difficulties pending its permanent placement at Oakvale School.		From Sep 2005 to Apr 2007				Continued using Granville Hse	Moved to Oakvale in Nov 2009	£641,277
7. A new-build 720-pupil co-educational 11-16 school at the La Mare De Carteret site.	Jan 2007	Dec 2008	£16.8m			TBC		
8. A new-build three form entry primary school on the La Mare De Carteret site.	Jan 2009	Dec 2010	£5.2m			TBC		£7,029
9. The conversion of St Sampson's Secondary School to a two form entry primary school (the infant premises possibly utilised as an outreach Youth Centre in the future).	Jan 2011	Dec 2011	£1.3m			Converted for use by CFE		
10. The demolition of the buildings at the Longfield Centre site.		Aug 2008				Transferred	to T&R	
11. The vacating of the three sites used by the CFE.		Jan 2008				TBC		
12. TOTAL			£96.7m	£72.01m				£71,107,080

Source: Billet d'Etat, VI, 24 April 2002, table 3, provisional building programme, page 428, table 4 estimated costs - updated by evidence extracted from SAP.

The States are asked to decide:-

XIII.- Whether, after consideration of the Report dated 7th June, 2010, of the Public Accounts Committee, they are of the opinion:-

To note the contents of that Report.

STATES ASSEMBLY AND CONSTITUTION COMMITTEE

AMENDMENT TO THE RULES OF PROCEDURE OF THE STATES OF DELIBERATION RELATING TO THE STATES STRATEGIC PLAN

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

22nd June 2010

Dear Sir

EXECUTIVE SUMMARY

1. This report proposes changes to the Rules of Procedure of the States of Deliberation pursuant to the resolution of the States of the 29th April 2010. The proposals are in the alternative: the first the Committee believes to be a pragmatic way of dealing with the States wish to address expenditure implications in proposals whilst the second sets out amendments to the Rules which would comply with the strict letter of the resolution.

REPORT

2. The report of the States Assembly and Constitution Committee to the States dated 23rd March 2010 contained the following paragraphs:

“The Policy Council, represented by the Chairman of the States Strategic Plan Team, expressed concern that the present rules allowed any department or committee to present a motion to the States for the spending of sums not included in the prioritisation process. He suggested that rules might be introduced with regard to future States reports and requêtes which include a motion involving expenditure on a new service or substantially enhanced existing service, to the extent that the report/requête would have to include additional propositions –

(a) stating how the new service was to be funded, and

(b) specifically amending the States Strategic Plan.

In considering that suggestion the Committee acknowledged that where new funding is required it will be necessary to have regard to the States Strategic Plan but nonetheless, by a majority, it believes that

departments and committees would be un-necessarily constrained by the suggested rules outlined above. Consequently it is not proposing further changes to the Rules of Procedure at present.”.

3. On the 29th April 2010¹, following an amendment proposed by Deputy L S Trott and seconded by Deputy C N K Parkinson, the States resolved, by 24 votes to 21 -

“To direct the States Assembly and Constitution Committee to formulate, and to lay before the July 2010 meeting of the States of Deliberation, such further change(s) to the Rules of Procedure of the States of Deliberation as may be necessary to ensure that any proposition which, if approved, may result in increased States expenditure must be so worded as to either:

- a) identify how such increased expenditure is to be funded, and expressly amend the States Strategic Plan accordingly; or*
- b) take effect only if and when a subsequent States Resolution shall have identified how such increased expenditure is to be funded, and expressly amended the States Strategic Plan accordingly.”.*

This report is therefore submitted to the States pursuant to that Resolution.

4. Following that States meeting there was an exchange of correspondence between the States Assembly and Constitution Committee and the Policy Council with a view to clarifying certain issues. The two letters are attached to this report as Appendix 1 and Appendix 2. Subsequently the Policy Council confirmed that it did not seek to recommend precisely what the Rules should be – a matter which it left to the Committee.
5. Notwithstanding the States’ resolution of the 29th April, 2010 the Committee remains convinced that an amendment to the Rules as directed by the States will be impractical to implement. It was for that reason that the Committee invited the Policy Council to explain how States Members *“will in practice be able to bring about an amendment to the States Strategic Plan”* and why the Council was asked to set out its *“intention with regard to the provision of technical resources for States Members in formulating proposals to amend the States Strategic Plan.”*
6. The Committee, however, is conscious that the States have directed it to propose appropriate amendments to the Rules regarding increased expenditure in the context of the States Strategic Plan. That being so, it has resolved to put to the States propositions in the alternative – recommendation A being the Committee’s preferred alternative which is set out in detail in the following

¹ Billet d’État IX of 2010, p. 453.

paragraphs and recommendation B, although not favoured by the Committee, is in a form which complies with the resolution of the 29th April 2010.

7. It is acknowledged that in approving the aforesaid resolution, the States were directing that, to quote the explanatory note to the amendment, “... *any States Report, Requête, Amendment, Sursis or other motion before the States either addresses its expenditure implications or does not take effect until they have been resolved*”.
8. That being so, the Committee recommends that the Rules be amended to the effect that any proposal, whether presented by means of a States report, requête, amendment, sursis or other motion, which increases revenue expenditure must include an estimate of the expenditure, an indication of how such expenditure could be funded and an explanation of whether, and if so how, such expenditure would have an effect on the policies set out in the States Fiscal and Economic Plan. In short, the effect of this proposed rule is that any proposition which increases revenue expenditure beyond the limits set out in the States Fiscal and Economic Plan will have to include the additional information set out above and should such a proposition be agreed by the States the relevant policy plan(s) would have to be amended by the States on the recommendation of the Policy Council.
9. It is the firm belief of the Committee that its recommended set of proposals is to be preferred as they overcome the difficulties identified with the alternative proposals for the following reasons:
 - From the outset the Committee has foreseen that it would be difficult – if not impossible – for Members of the States to draft amendments to the States Strategic Plan, given the form in which it presently stands.
 - The A recommendations avoid such difficulties by simply requiring proposers of motions to explain the effect, if any, on the States Fiscal and Economic Plan rather than directly amending the States Strategic Plan.
 - Further, whilst the A recommendations require proposers of motions to include an estimate of any increase in revenue expenditure and also to indicate how such increase could be funded, they do not require the explicit identification of how such expenditure is to be funded, which is one of the elements of the B recommendations.
 - The Committee believes that the latter would undermine current financial planning regimes and indeed could lead to a proliferation of ad hoc proposals to increase taxation to fund individual projects.
10. The Committee has also addressed the question of the provision of technical assistance for States Members and has concluded that if they are to be required to address expenditure implications then they must, in turn, be provided with the

resources to enable them to do so, unhindered by a lack of resources. For that reason the proposals favoured by the Committee include an amendment to the Rules requiring departments and committees to provide technical resources for States Members.

11. The apparently simple amendment envisaged by the Policy Council is unworkable in the view of the States Assembly and Constitution Committee. It would be wholly unreasonable to expect a Member of the States to direct precisely how expenditure should be funded or the States Strategic Plan amended. The Committee is of the opinion that the proposed changes to the Rules set out in paragraph 13A will be a more effective way of fulfilling the spirit of the States resolution of the 29th April 2010. However, if the States are not minded to approve that proposition then the proposed changes set out in paragraph 13B comply with the direction of the States to the Committee on the 29th April 2010.

CONSULTATION

12. In addition to the consultation referred to in paragraphs 4, the Presiding Officer and HM Greffier have been consulted by the Committee as required by Rule 14(6) of the Constitution and Operation of States Departments and Committees. They noted this Report. The Law Officers have also been consulted.

RECOMMENDATIONS

13. The States Assembly and Constitution Committee, recommends the States to agree to the following amendments to the Rules of Procedure of the States of Deliberation which, if approved, shall have immediate effect, as follows:

EITHER

- A.
 1. In Rule 13 (2), paragraph (e), renumber sub-paragraphs (ii) and (iii) as (iii) and (iv), and insert after paragraph (i) –

“(ii) an amendment to which Rule 15 (2) applies; or”.
 2. In Rule 15:
 - (a) change the title to read “*Proposals to alter taxation or increase expenditure*”;
 - (b) re-designate the present text as paragraph (1);
 - (c) add a further paragraph as follows:

“(2) (a) Any decision to approve a proposition which may have the effect of increasing

revenue expenditure but which does not incorporate -

- (i) an estimate of that increase in expenditure;
- (ii) an indication of how such increase could be funded; and
- (iii) an explanation of any effect on the States Fiscal and Economic Policy Plan

shall take effect only if and when a subsequent proposition which complies with (i), (ii) and (iii) above has been carried.

- (b) The proposer of any proposition referred to in paragraph (a), may request information from any Department or Committee and the said Department or Committee shall thereupon provide complete and accurate information sufficient to enable the preparation of the information referred to in sub-paragraphs (i), (ii) and (iii) of paragraph (a).”.

OR, if recommendation A is not approved

- B. 1. In Rule 13 (2), paragraph (e), renumber sub-paragraphs (ii) and (iii) as (iii) and (iv), and insert after paragraph (i) –
 - “(ii) an amendment to which Rule 15 (2) applies; or”.
- 2. In Rule 15:
 - (a) change the title to read “*Proposals to alter taxation or increase expenditure*”;
 - (b) re-designate the present text as paragraph (1);
 - (c) add a further paragraph as follows:
 - “(2) Any decision to approve a proposition which may have the effect of increasing expenditure but which does not -

- (i) explicitly identify how such expenditure is to be funded; and accordingly
- (ii) expressly amend the States Strategic Plan

shall take effect only if and when a subsequent proposition which complies with (i) and (ii) above has been carried.”

Yours faithfully

I F Rihoy
Chairman

APPENDIX 1

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

13th May 2010

Dear Deputy Trott

On the 29th April 2010 the States resolved, inter alia –

“To direct the States Assembly and Constitution Committee to formulate, and to lay before the July 2010 meeting of the States of Deliberation, such further change(s) to the Rules of Procedure of the States of Deliberation as may be necessary to ensure that any proposition which, if approved, may otherwise result in increased States expenditure must be so worded as to either:

- a) identify how such increased expenditure is to be funded, and expressly amend the States Strategic Plan accordingly; or*
- b) take effect only if and when a subsequent States Resolution shall have identified how such increased expenditure is to be funded, and expressly amended the States Strategic Plan accordingly.”.*

HM Procureur and our Principal Officer are presently discussing the precise wording of the amendments to the Rules of Procedure: the Committee is keen to progress this matter expeditiously and certainly intends to report back to the States at the July meeting as directed.

The explanatory note to the amendment which resulted in the above resolution stated –

“This amendment is intended to ensure that any States Report, Requête, Amendment, Sursis or other motion before the States either addresses its expenditure implications or does not take effect until they have been resolved. ... The proposer and seconder consider that if a States Report, Requête, Amendment or Sursis would increase the revenue expenditure of the States, States members should have a full opportunity to consider the wider context, including the competing claims for such resources, and to form their own views on the effect on aggregate States expenditure and any necessary prioritisation.”.

Having regard to that explanatory note the Committee is of the view that changing the Rules as directed by the States is only one half of the equation. If States Members are

to be constrained in the way intended then a balance needs to be introduced into the system which –

- (a) states explicitly and precisely how a States Member can bring about an amendment to the States Strategic Plan;
- (b) requires the Policy Council, Departments and Committees to provide technical assistance to States Members to assist them in formulating proposals to amend the States Strategic Plan.

In addressing this matter it might be of assistance to give specific examples by setting out four hypothetical scenarios. How would the Policy Council advise that amendments should be worded, including the requirement to amend the States Strategic Plan itself, in the event of motions with the following objectives –

1. an increase of £250,000 in the budget of the Overseas Aid Commission to assist efforts to deal with a major emergency elsewhere in the world;
2. a comprehensive review of selection at age 11 in the education system;
3. the taking of a local commercial company into public ownership – at a cost – in the strategic interests of the Island;
4. the introduction of kerbside collection of recyclables funded by general revenue?

The Committee is of the opinion that these issues should be addressed in its Report to the States and, to that end, I would be grateful if you could let me have a letter for publication in the Billet d'État which –

- provides the rationale behind the amendment proposed by yourself and seconded by Deputy Parkinson;
- explains how States Members will in practice be able to bring about an amendment to the States Strategic Plan;
- sets out the Policy Council's intention with regard to the provision of technical resources for States Members in formulating proposals to amend the States Strategic Plan.

Yours sincerely

Mary M Lowe
Vice-Chairman
States Assembly and Constitution Committee

POLICY COUNCIL

The Vice Chairman
States Assembly and Constitution Committee
Sir Charles Frossard House
La Charroterie
St Peter Port

17th June 2010

Dear Deputy Lowe

You have asked the Policy Council to supply the SACC with a letter for publication alongside your States report which:

- Provides the rationale behind the Policy Council's successful amendment to your Committee's report on Rules of Procedure and the States Strategic Plan in April this year;
- Explains how States Members will in practice be able to bring about an amendment to the States Strategic Plan;
- Sets out the Policy Council's intention with regard to the provision of technical resources for States Members in formulating proposals to amend the States Strategic Plan.

The Policy Council, advised by the States Strategic Plan Team, is pleased to be able to respond to this request and hopes that this letter will assist States Members and provide an informed basis for a constructive States debate in July.

Rationale

The Policy Council's rationale for recommending the introduction of new Rules of Procedure to support the strategic planning process and the prioritisation of spending on New Service Developments in particular, was explained in the letter appended to SACC's April States Report. Without repeating that explanation in detail, the main points the Policy Council made were that:

- The SSP is a tool to enable the States to direct the limited public funds available for new services towards their highest priorities.
- All Departments and Committees have a stake in the fair and open allocation of

efficiency savings.

- A process which enables individual funding bids to ‘jump the queue’ via a States Report, amendment or requête without any requirement to reconcile that action with the reasoned prioritisation of spending that has been agreed by the States, at the very least, severely undermines efforts to improve standards of governance and to avoid unaffordable increases in aggregate expenditure which would be contrary to the position the States have taken towards achieving a balanced budget.

The more specific rationale behind the Policy Council’s April amendment was to offer legitimate routes for States Departments, States Committees or individual States Members wishing to bring forward proposals which would, if approved, result in an increase in States expenditure. The Policy Council’s intention is not to prevent such propositions or to hamstring members who wish to pursue them but to put measures in place that reconcile proposed new spending with decisions the States have already taken through the States Strategic Plan and the Budget. As stated in the explanatory note to the amendment, “States Members should have a full opportunity to consider the wider context, including competing claims for such resources, and to form their own views on the effect on aggregate States expenditure and any necessary prioritisation”.

Amending the States Strategic Plan

The States Strategic Plan is new and it is and will continue to be the reflection of an evolving process. The Policy Council explained in the Executive Summary to the 2009 Plan that:

“This first States Strategic Plan therefore represents a real breakthrough in the integration of policy and financial planning at a crucial time for Guernsey and the Bailiwick. The main report is essentially a business plan and the emphasis on financial matters reflects this, but it is supported by summaries of States Department and Committee Operational Plans, Strategic Policy Plans and Island Resource strategies that together represent the longer term thinking behind the short term tactical plan.

Overall, the purpose of the SSP as it continues to develop over time through a process of annual review will be to integrate the Fiscal and Economic, Social Policy and Environmental Policy plans and to align Department Operational Plans with the objectives of the SSP. Summaries of the Strategic Policy Plans and Departments’ Operational Plans are provided in Appendices 2 and 1 respectively.

The intention is that there should be a line of authority – sometimes referred to as a ‘golden thread’ – throughout the government policymaking process originating in cross-departmental policy steering groups, endorsed by the States and delegated to departments for implementation.

In this way, the States organisation as a whole will be required to demonstrate a consistent commitment which can be understood by the public and for which the States can be held to account.

The thread will continue through to the coordination and management of Island resources in both public and private sector ownership via plans for Population, Land Use, Energy and Infrastructure. The Island Resource Plans (Appendix 3) will support the successful implementation of States policy within the inevitable constraints of a small island jurisdiction.

Finally, accountability for this more unified approach will be reinforced by a continuous system of performance management based on the monitoring and annual review of Key Performance Indicators (as described in Appendix 4). By testing the effectiveness of policy implementation in this way, the States will create a feedback ‘loop’ that will encourage policy improvement and the cost effective delivery of public services.”

The States Strategic Plan is subject to annual review but, in addition, the Fiscal & Economic, Social and Environmental Policy Plans and the Island Resource Plans for Population, Land Use, Energy and Infrastructure are likely to have their own individual cycles for in depth review according to the requirements of the policy area concerned. A review of any ‘satellite’ plan may take place outside the annual SSP debate but will be considered as an amendment to the overall SSP.

As the core ‘business plan’ element of the SSP will be reviewed annually, the prioritisation of spending on New Service Developments will be taking place at regular and frequent intervals. In other words, the States will be involved each year considering proposals for the development of new public services and determining their relative priority for funding. The process of annual review should reduce the need to make amendments to the Plan or introduce new spending initiatives outside the regular cycle but you have asked the Policy Council to comment on the following hypothetical amendments as an illustration of situations that may arise:-

1. An increase of £250,000 in the budget of the Overseas Aid Commission to assist efforts to deal with a major emergency elsewhere in the world;
2. A comprehensive review of selection at age 11 in the education system;
3. The taking of a local commercial company into public ownership – at a cost – in the strategic interests of the Island;
4. The introduction of kerbside collection of recyclables funded by general revenue.

Scenarios 1 and 3 both refer to emergency or urgent situations arising unexpectedly. So far as an increase in Overseas Aid is concerned, an amendment/requête etc might be brought to amend the Fiscal and Economic policies of the SSP which place a real term

freeze on aggregate States expenditure by accepting a £250K increase in the Overseas Aid Budget for that year.

The circumstances outlined in scenario 3 might lead to a similar proposition although more probably, since any company the States would wish to buy would presumably have revenue income, a purchase would more appropriately be funded from the Cash Pool and an amendment could be framed accordingly. The recent purchase of the fuel supply ships, to cite a broadly comparable situation, came from the Cash Pool. Any funding for a commercial investment would normally be made by way of a loan at a commercial rate of interest.

Scenario 2 which requires a major review of an education policy is something which could appropriately be raised as part of the annual review of the Social Policy Plan as this would provide a context for considering whether selection at age 11 supports the social policy objective to “Promote equality of educational opportunity”.

An amendment to secure the review could require the Education Department to report back to the States within a stated period with a programme and budget for the review showing how the work could be funded. It is true that this approach would not direct an immediate review regardless of the cost implications but the Policy Council considers that such an approach would be an irresponsible way to deal with a major policy review given the States financial circumstances.

The fourth scenario concerning the introduction of kerbside collection of recyclables funded by general revenue presumes that such a service would not be funded on a user pays principle which would, on the face of it, be the more sustainable financial option. If the States preferred the general revenue route, however, an amendment could propose that funding be found in a number of possible ways including:

- by removing the freeze on aggregate spending in respect of this particular initiative
- by directing the Public Services Department to report back in a given timescale with a programme and costings identifying how funding could be found (including via a New Service Development bid as part of the SSP)
- by directing general revenue from another service/s to meet the estimated cost of the kerbside collection service.

In all four scenarios the proposers would have the option of proposing that the propositions of the amendment/requête etc would only take effect when the expenditure was prioritised through the SSP.

Provision of technical resources for States Members

The Policy Council considers that technical assistance should be provided by all Departments and the Treasury & Resources Department in particular, to assist States Members to formulate practicable amendments to the States Strategic Plan.

It is in the interests of good governance that amendments to the States Strategic Plan are carefully thought through and workable although political choices between courses of action and the responsibility for weighing the costs and benefits of any amendment obviously lie with the States as a whole and would not be the subject of any technical input by staff. Similarly, such help would be directed to the terms of the amendment and would not extend to providing assistance to individual States Members to research their own individual policy initiatives.

I hope that this letter demonstrates that the Policy Council wants to encourage the introduction of Rules of Procedure that support a flexible and responsive form of strategic planning and resource management and enable States Members to influence government policy in a constructive and responsible way.

Yours sincerely

L S Trott
Chief Minister

The States are asked to decide:-

XIV.- Whether, after consideration of the Report dated 22nd June, 2010, of the States Assembly and Constitution Committee, they are of the opinion:-

1. To amend, with immediate effect, the Rules of Procedure of the States of Deliberation as follows:

(1) In Rule 13 (2), paragraph (e), renumber sub-paragraphs (ii) and (iii) as (iii) and (iv), and insert after paragraph (i) –

“(ii) an amendment to which Rule 15 (2) applies; or”.

(2) In Rule 15:

(a) change the title to read “*Proposals to alter taxation or increase expenditure*”;

(b) re-designate the present text as paragraph (1);

(c) add a further paragraph as follows:

“(2) (a) Any decision to approve a proposition which may have the effect of increasing revenue expenditure but which does not incorporate -

(i) an estimate of that increase in expenditure;

(ii) an indication of how such increase could be funded; and

(iii) an explanation of any effect on the States Fiscal and Economic Policy Plan

shall take effect only if and when a subsequent proposition which complies with (i), (ii) and (iii) above has been carried.

(b) The proposer of any proposition referred to in paragraph (a), may request information from any Department or Committee and the said Department or Committee shall thereupon provide complete and accurate information sufficient to enable the preparation of the information referred to in sub-paragraphs (i), (ii) and (iii) of paragraph (a).”.

In the event of the States rejecting the above proposition, whether they are of the opinion:-

2. To amend, with immediate effect, the Rules of Procedure of the States of Deliberation as follows:

(1) In Rule 13 (2), paragraph (e), renumber sub-paragraphs (ii) and (iii) as (iii) and (iv), and insert after paragraph (i) –

“(ii) an amendment to which Rule 15 (2) applies; or”.

(2) In Rule 15:

(a) change the title to read “*Proposals to alter taxation or increase expenditure*”;

(b) re-designate the present text as paragraph (1);

(c) add a further paragraph as follows:

“(2) Any decision to approve a proposition which may have the effect of increasing expenditure but which does not

(i) explicitly identify how such expenditure is to be funded; and accordingly

(ii) expressly amend the States Strategic Plan

shall take effect only if and when a subsequent proposition which complies with (i) and (ii) above has been carried.”.

STATUTORY INSTRUMENTS LAID BEFORE THE STATES**THE LIQUOR LICENSING (FEES) REGULATIONS, 2010**

In pursuance of section 93(3) of the Liquor Licensing Ordinance, 2006, the Liquor Licensing (Fees) Regulations, 2010, made by the Home Department on 27th May, 2010, are laid before the States.

EXPLANATORY NOTE

These Regulations amend Schedule 4 to the Liquor Licensing Ordinance, 2006 which sets the relevant fees for liquor licences etc. These Regulations come into force on 1st June, 2010.

**THE TERRORISM AND CRIME (BAILIWICK OF GUERNSEY)
(AMENDMENT) REGULATIONS, 2010**

In pursuance of section 82(1)(c) of The Terrorism and Crime (Bailiwick of Guernsey) Law, 2002, the Terrorism and Crime (Bailiwick of Guernsey) (Amendment) Regulations, 2010, made by the Home Department on 17th May, 2010, are laid before the States.

EXPLANATORY NOTE

These Regulations amend the Terrorism and Crime (Bailiwick of Guernsey) Regulations 2007. In particular they provide that as from the coming into force of Regulations, disclosures under section 12, 15 or 15 A of the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 must be made to a prescribed police office. A prescribed police officer means a police officer or a customs officer who is a member of the Financial Intelligence Service. These Regulations come into force on 17th May, 2010.

**THE DISCLOSURE (BAILIWICK OF GUERNSEY)
(AMENDMENT) REGULATIONS, 2010**

In pursuance of section 16(3) of the Disclosure (Bailiwick of Guernsey) Law, 2007, the Disclosure (Bailiwick of Guernsey) Amendment Regulations, 2010, made by the Home Department on 17th May, 2010, are laid before the States.

EXPLANATORY NOTE

These Regulations amend the Disclosure (Bailiwick of Guernsey) Regulations, 2007. In particular they provide that as from the coming into force of the Regulations, disclosures under section 1, 2 or 3 of the Disclosure (Bailiwick of Guernsey) Law, 2007 must be made to a prescribed police officer. A prescribed police officer means a police officer or customs officer who is a member of the Financial Intelligence Service. These Regulations come into force on 17 May 2010.

**THE INSURANCE MANAGERS AND INSURANCE INTERMEDIARIES
(LICENSING) REGULATIONS, 2002**

In pursuance of Section 63 of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, the Insurance Managers and Insurance Intermediaries (Licensing) Regulations, 2002, made by the Guernsey Financial Services Commission on 5th November, 2002, are laid before the States.

EXPLANATORY NOTE

These regulations define the information required of an applicant when applying for a licence to act as an insurance manager or insurance intermediary under section 3(3) of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002.

THE INSURANCE BUSINESS (ANNUAL RETURN) REGULATIONS, 2008

In pursuance of Section 86 of the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Insurance Business (Annual Return) Regulations, 2008, made by the Guernsey Financial Services Commission on 12th March, 2008, are laid before the States.

EXPLANATORY NOTE

These Regulations define the contents of the annual return to be submitted by licensed insurers pursuant to sections 33 and 37 of the Insurance Business (Bailiwick of Guernsey) Law, 2002.

THE INSURANCE BUSINESS (APPROVED ASSETS) REGULATIONS, 2008

In pursuance of Section 86 of the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Insurance Business (Approved Assets) Regulations, 2008, made by the Guernsey Financial Services Commission on 12th March, 2008, are laid before the States.

EXPLANATORY NOTE

These Regulations define approved assets for the purposes of paragraph 2(1) of Schedule 2 to the Insurance Business (Bailiwick of Guernsey) Law, 2002.

**THE INSURANCE BUSINESS
(ASSET AND LIABILITY VALUATION) REGULATIONS, 2008**

In pursuance of Section 86 of the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Insurance Business (Asset and Liability Valuation) Regulations, 2008, made by the Guernsey Financial Services Commission on 12th March, 2008, are laid before the States.

EXPLANATORY NOTE

These Regulations define the valuation basis to be used by licensed insurers for valuing their assets and liabilities for regulatory purposes in accordance with paragraph 3(1) of Schedule 2 of the Insurance Business (Bailiwick of Guernsey) Law, 2002.

**THE INSURANCE BUSINESS
(DUTIES OF GENERAL REPRESENTATIVES) REGULATIONS, 2008**

In pursuance of Section 86 of the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Insurance Business (Duties of General Representatives) Regulations, 2008, made by the Guernsey Financial Services Commission on 12th March, 2008, are laid before the States.

EXPLANATORY NOTE

These Regulations define the duties of a general representative of a licensed insurer under section 29(2) of the Insurance Business (Bailiwick of Guernsey) Law, 2002.

**THE INSURANCE MANAGERS AND INSURANCE INTERMEDIARIES
(ANNUAL RETURN) 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 (Annual Return) Regulations, 2008, made by the Guernsey Financial Services Commission on 12 March, 2008, are laid before the States.

EXPLANATORY NOTE

These Regulations define the contents of the annual return to be submitted by licensed insurance managers and licensed insurance intermediaries pursuant to section 20 of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002.

**THE INSURANCE MANAGERS AND INSURANCE INTERMEDIARIES
(APPROVED ASSETS) 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 (Approved Assets) Regulations, 2008, made by the Guernsey Financial Services Commission on 12th March, 2008, are laid before the States.

EXPLANATORY NOTE

These Regulations define approved assets for the purposes of section 61A of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002.

**THE INSURANCE MANAGERS AND INSURANCE INTERMEDIARIES
(CLIENT MONIES) 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 (Client Monies) Regulations, 2008, made by the Guernsey Financial Services Commission on 12th March, 2008, are laid before the States.

EXPLANATORY NOTE

These Regulations define the requirements in respect of the handling of client money by insurance intermediaries, and insurance managers acting as insurance intermediaries, licensed under the insurance Business (Bailiwick of Guernsey) Law, 2002.

THE INSURANCE BUSINESS (ADAPTATION FOR MEMBERS OF THE SOCIETY OF LLOYD'S) REGULATIONS, 2008

In pursuance of Section 86 of the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Insurance Business (Adaptation for Members of the Society of Lloyd's) Regulations, 2008, made by the Guernsey Financial Services Commission on 8th November, 2008, are laid before the States.

EXPLANATORY NOTE

These Regulations make an adaptation to the Insurance Business (Bailiwick of Guernsey) Law, 2002 so that members of the Society of Lloyd's are not required to appoint a general representative under section 29 of the Law.

THE FINANCIAL SERVICES COMMISSION (FEES) REGULATIONS, 2009

In pursuance of Section 25(3) of the Financial Services Commission (Bailiwick of Guernsey) Law, 1987 as amended, Section 21(4) of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, Section 60(1) of the Banking Supervision (Bailiwick of Guernsey) Law, 1994, Section 86 of the Insurance Business (Bailiwick of Guernsey) Law, 2002 and Section 63 of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, the Financial Services Commission (Fees) Regulations, 2009, made by the Guernsey Financial Services Commission on 17th December, 2009, are laid before the States.

EXPLANATORY NOTE

These Regulations prescribe for the purposes of the protection of Investors (Bailiwick of Guernsey) Law, 1997, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000, the Insurance Business (Bailiwick of Guernsey) Law, 2002, and the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, the fees payable on the making of an application for a banking licence, and in respect of the licensing of an insurer, the licensing of an insurance manager, the licensing of an insurance intermediary, the licensing of controlled investment business, a designated territory investment business notification, a non-Guernsey open-ended collective investment scheme notification, the licensing of fiduciaries, and fees payable annually thereafter.

THE PROTECTED CELL COMPANIES AND INCORPORATED CELL COMPANIES (FEES FOR INSURERS) REGULATIONS, 2009

In pursuance of Section 25(3) of the Financial Services Commission (Bailiwick of Guernsey) Law, 1987 as amended, Section 86 of the Insurance Business (Bailiwick of Guernsey) Law, 2002 and Section 537 of the Companies (Guernsey) Law, 2008, the Protected Cell

Companies and Incorporated Cell Companies (Fees for Insurers) Regulations, 2009, made by the Guernsey Financial Services Commission on 17th December, 2009, are laid before the States.

EXPLANATORY NOTE

These Regulations prescribe the fees payable to the Guernsey Financial Services Commission by any company which is a protected cell company or an incorporated cell company, and by an incorporated cell, and which applies to be licensed to conduct insurance business under the Insurance Business (Bailiwick of Guernsey) Law, 2002, and the fees payable periodically thereafter by such a company or cell when licensed. Furthermore, the Regulations prescribe the fee payable to the Guernsey Financial Services Commission by any company for consent for the conversion of a licensed company into a protected cell company or an incorporated cell company, or for the conversion of an existing licensed protected cell company into an incorporated cell company, and for the creation of a new cell by a licensed protected cell company.

**THE REGISTRATION OF NON-REGULATED FINANCIAL SERVICES
BUSINESSES (BAILIWICK OF GUERNSEY) (FEES) REGULATIONS, 2009**

In pursuance of Section 31 of the Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) Law, 2008, the Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) (Fees) Regulations, 2009, made by the Guernsey Financial Services Commission on 17th December, 2009, are laid before the States.

EXPLANATORY NOTE

These Regulations make provision, for the payment of an application fee and an annual fee under the Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) Law, 2008.