



BILLET D'ÉTAT

WEDNESDAY, 24th NOVEMBER 2010

XXIII
2010

Volume 1

1. Projet de Loi entitled "The Tobacco Products (Enabling Provisions) (Guernsey) Law, 2010", p. 1655
2. The Misuse of Drugs (Bailiwick of Guernsey) Law, 1974 (Amendment) Ordinance, 2010, p. 1655
3. The Income Tax (Guernsey) (Approval of Agreement with Portugal) Ordinance, 2010, p. 1655
4. The Attendance and Invalid Care Allowances Ordinance, 2010, p. 1655
5. The Supplementary Benefit (Implementation) (Amendment) Ordinance, 2010, p. 1656
6. The Health Service (Benefit) (Amendment) Ordinance, 2010, p. 1656
7. The Social Insurance (Rates of Contributions and Benefits, etc.) Ordinance, 2010, p. 1656
8. The Family Allowances Ordinance, 2010, p. 1656
9. Treasury and Resources Department – Amendments to Income Tax legislation relating to Relief for Pension Contributions and Taxation of Benefits arising from Pension Schemes, p. 1657
10. Treasury and Resources Department – Proposal for the Abolition of Retention Tax, p. 1670
11. Treasury and Resources Department – Sale or Lease of States Properties of Historic Importance, p. 1677
12. Commerce and Employment Department – Deposit Compensation Scheme Amendment, p. 1687
13. Home Department – The Future of Law Enforcement – Establishment of a Law Enforcement Commission, p. 1703
14. Health and Social Services Department – The Children (Guernsey and Alderney) Law, 2008 – Children and Young People's Plan 2011 – 2013, p. 1712
15. Education Department – The Reorganisation of Secondary Education Stage 2: The Rebuilding of Les Beaucamps High School, p. 1772

B I L L E T D ' É T A T

TO THE MEMBERS OF THE STATES OF THE ISLAND OF GUERNSEY

I have the honour to inform you that a Meeting of the States of Deliberation will be held at **THE ROYAL COURT HOUSE**, on **WEDNESDAY**, the **24th NOVEMBER, 2010**, immediately after the meeting of the States of Election already convened for that day, 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
15 October 2010

PROJET DE LOI

entitled

**THE TOBACCO PRODUCTS (ENABLING PROVISIONS)
(GUERNSEY) LAW, 2010**

The States are asked to decide:-

I.- Whether they are of the opinion to approve the Projet de Loi entitled “The Tobacco Products (Enabling Provisions) (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.

**THE MISUSE OF DRUGS (BAILIWICK OF GUERNSEY) LAW, 1974
(AMENDMENT) ORDINANCE, 2010**

The States are asked to decide:-

II.- Whether they are of the opinion to approve the draft Ordinance entitled “The Misuse of Drugs (Bailiwick of Guernsey) Law, 1974 (Amendment) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.

**THE INCOME TAX (GUERNSEY) (APPROVAL OF AGREEMENT WITH
PORTUGAL) ORDINANCE, 2010**

The States are asked to decide:-

III.- Whether they are of the opinion to approve the draft Ordinance entitled “The Income Tax (Guernsey) (Approval of Agreement with Portugal) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.

**THE ATTENDANCE AND INVALID CARE ALLOWANCES
ORDINANCE, 2010**

The States are asked to decide:-

IV.- Whether they are of the opinion to approve the draft Ordinance entitled “The Attendance and Invalid Care Allowances Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.

**THE SUPPLEMENTARY BENEFIT (IMPLEMENTATION)
(AMENDMENT) ORDINANCE, 2010**

The States are asked to decide:-

V.- Whether they are of the opinion to approve the draft Ordinance entitled “The Supplementary Benefit (Implementation) (Amendment) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.

THE HEALTH SERVICE (BENEFIT) (AMENDMENT) ORDINANCE, 2010

The States are asked to decide:-

VI.- Whether they are of the opinion to approve the draft Ordinance entitled “The Health Service (Benefit) (Amendment) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.

**THE SOCIAL INSURANCE (RATES OF CONTRIBUTIONS AND
BENEFITS, ETC.) ORDINANCE, 2010**

The States are asked to decide:-

VII.- Whether they are of the opinion to approve the draft Ordinance entitled “The Social Insurance (Rates of Contributions and Benefits, etc.) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.

THE FAMILY ALLOWANCES ORDINANCE, 2010

The States are asked to decide:-

VIII.- Whether they are of the opinion to approve the draft Ordinance entitled “The Family Allowances Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.

TREASURY AND RESOURCES DEPARTMENT**AMENDMENTS TO INCOME TAX LEGISLATION
RELATING TO RELIEF FOR PENSION CONTRIBUTIONS
AND TAXATION OF BENEFITS ARISING FROM PENSION SCHEMES**

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

24th August 2010

Dear Sir

1. **Executive Summary**

- 1.1. This Report proposes a number of changes to the existing income tax regime in respect of pensions, both in terms of relief for contributions into schemes and the taxation of benefits which subsequently emerge from those schemes.
- 1.2. Some of the changes simply require Regulations, or amendments to the Director's Practice Notes, others require either a Projet de Loi or amendment to an existing Ordinance. For the sake of completeness, and so that Members and the general public can consider the full scope of the changes, they are all identified and explained in this Report. However, Resolutions are only sought where appropriate, as indicated in 4. below.
- 1.3. A glossary of terms used is attached as an Appendix to this Report.

2. **Background**

- 2.1. Guernsey has long been regarded as a centre of excellence in terms of encouraging pension provision, and international pension provision forms an important part of Guernsey's financial services sector. This has been encouraged by innovative use of the existing regime (for example, by the development of RATS, which now provide a robust alternative to traditional insurance based schemes).
- 2.2. It has long been the wish of the States to encourage greater provision for retirement by individuals, and clearly the availability of tax relief on contributions, and the flexibility as to the point at which benefits can be taken, is a significant factor in an individual's choices in that respect. The Department hopes that the proposals set out in this Report will go some way to increasing the

attractiveness of pension provision generally. It should, of course, be remembered that most contributions to, and investment income which accrues in, pension schemes is subsequently withdrawn by the member by way of income which is taxable on receipt. To that extent, therefore, pension tax relief may be regarded as simply deferring liability, or accruing tax revenues of the future.

- 2.3. The pensions world has changed significantly in recent years, led to a large extent by the radical changes to the UK's pension regime in 2006. In addition, both Isle of Man and Jersey have also overhauled their pension regimes in recent years. There is, therefore, a need to maintain and update Guernsey's regime to ensure that it continues to provide a modern approach to pension provision – not least because the structure and flexibility of a jurisdiction's pension regime for tax purposes can be a significant factor in the decision of wealthy individuals looking to move there.

In addition, the extension of domestic legislation regarding pensions, to non-resident members of schemes which have QROPS status for UK tax purposes, in order to assist in retention of that status, means that flexibility is a key issue.

- 2.4. The need for change is also driven by the fact that most benefits deriving from occupational pension schemes are now based on contributions made to the fund ("defined contributions") rather than on final remuneration at retirement ("defined benefit") so that it makes sense to align the rules for all types of pension arrangement. Whilst the rules for RACs and RATS have been developed in recent years, the rules for OPS are largely unchanged since at least the 1970s, and are somewhat outdated.
- 2.5. In developing the changes contained in this Report, there has been a relatively extensive consultation with pension providers, largely through their industry associations.
- 2.6. Following two rounds of written consultation, the Director established a working party consisting of representatives from the Guernsey Association of Pension Providers, the Channel Islands Actuarial Society and the Guernsey Society of Chartered & Certified Accountants. The proposals, which are contained in this Report, take into account the views of those bodies and the Department would like to thank those who gave up their time to participate in the consultation exercises for their input, which will hopefully enable a broad range of proposals to be implemented which will have the general support of the pensions industry.

3. **Detailed Proposals**

3.1. **Approval Procedures**

- 3.1.1. One of the administrative burdens for both the Income Tax Office and for pension scheme administrators and trustees is the need to submit documentation.

It is proposed that a simplified process be established so that the scheme would complete and submit an application form, certifying that the relevant conditions were met. There would then no longer be the need to submit, what is often, bulky documentation.

- 3.1.2. The Director would, however, still be able to require such documents to be produced if he felt that it was appropriate, and in particular he intends to continue to require sight of the relevant documentation for RATS which have a single member.

3.2. Benefits – Lump Sums

- 3.2.1. As mentioned above, the majority of OPS are now defined contribution schemes (in other words, schemes which determine benefits based on the amount of the fund available, rather than a defined benefit scheme which measures benefits by reference to the final remuneration of the individual).
- 3.2.2. The present income tax rules regarding benefit limits are based on the defined benefit approach and thus limit benefits by reference to a fraction of the final remuneration of the individual. For PPs, however, calculation of benefits has naturally been by reference to the fund available.
- 3.2.3. In order to align the principles and to reflect the increasing preponderance of defined contribution schemes, it is proposed that all pension schemes should be able to calculate benefits by reference to the fund value.
- 3.2.4. This may, however, cause some difficulties for the remaining defined benefit schemes, and it is proposed that such schemes should be able to calculate a fund value using an appropriate formula. The precise formula to be used will be decided by the scheme trustees/administrators following actuarial advice, and broadly will be in line with the formula they would use at present to calculate the fund value when determining transfer values.
- 3.2.5. At present, the lump sum which is available from a pension arrangement is, for OPS, calculated by reference to a fraction of the individual's final remuneration, as noted in the previous paragraphs, and for PPs is based on a maximum of 25% of the fund value. As outlined above, it is proposed that, in future, all pension schemes, should calculate lump sums based on the fund value and the percentage which should be allowable should be increased to 30% rather than 25%.
- 3.2.6. The lump sum mentioned in the previous paragraphs would be available at any time after the individual had attained age 50 (unless the individual was in a specialised occupation where it was customary to retire prior to that date) and the availability of such commutation would not be dependent upon the pension or annuity benefits commencing at the same time. This differs from the present situation, where the availability of a lump sum is linked to commencement of the benefits at or around the same time.

3.3. Benefits – Pensions

- 3.3.1. As for lump sums, mentioned above, at present annuities paid by PPs are calculated by reference to the size of the fund available whereas, by contrast, pensions paid from an OPS must be calculated by reference to a fraction of the final remuneration of the individual. It is proposed that all types of pension scheme, including OPS, be allowed to calculate pensions by reference to fund value also.
- 3.3.2. As with lump sums, however, the remaining defined benefit schemes would be able to calculate fund value on the same basis as for the lump sum payment, as described at 3.2.4. above.

3.4. Flexible Retirement

- 3.4.1. At present, benefits from a PP may be taken at any time between the ages of 50 and 75, and the commencement of benefits is not dependent upon actual retirement from any occupation or business. However, the position is different for OPS, in that the Practice Notes issued by the Director have usually required retirement.
- 3.4.2. As many employers now wish to retain the services of their experienced staff in a part-time capacity after they have reached normal retirement date, the Director proposes to amend the Practice Notes so that physical retirement is not actually required. It is felt that this proposal will benefit the economy generally, by providing a wider pool of experienced staff.

3.5. Contribution Limits

- 3.5.1. Whilst the present method of allowing tax relief for contributions to an OPS is relatively simple, in that 15% of the emoluments from the relevant employment are allowable, those for PPs are dependent on both an overall monetary contribution limit and a limitation on tax relief, which in itself is age dependent.
- 3.5.2. The UK, Isle of Man and Jersey have now all moved to a system whereby contribution limits have been considerably increased (although it has to be noted that the UK has recently announced that it is to reduce the contribution limits to in the region of £30,000 – £45,000 from the present limit of £220,000). In the Isle of Man, the limit is £300,000, and in Jersey £50,000. The Department feels it is appropriate to review the contribution levels generally in Guernsey and to align them between the differing types of pension scheme.
- 3.5.3. The Department is also conscious of the need to encourage pension provision and feels that the suggested limits which follow will lead to greater flexibility and thus greater pension saving.
- 3.5.4. (a) There will be no monetary limit on the amount which may be contributed to an OPS or PP by any individual.

- (b) Tax relief will be available to all individuals in respect of their own contributions, whether or not they are in receipt of relevant earnings, subject to a limit of the lower of 100% of taxable income or a specific monetary limit, to be set by the Department by Regulation. At present, the Department anticipates that this limit will be between £35,000 and £50,000. For the avoidance of doubt, in the case of a married couple assessed jointly, relief would be available on the basis of their joint incomes, irrespective of which spouse had actually made the contributions.
- (c) Relief to an employer for contributions to an employee's pension arrangement will be available as at present, subject to the relevant provisions of the Income Tax (Guernsey) Law, 1975, which essentially allow contributions on normal commercial principles.
- (d) Contributions to a PP by an employer will not constitute an emolument in the hands of that employee, thus placing them on the same basis as contributions made to an OPS.
- (e) If an individual has made a contribution to a pension arrangement, but cannot take advantage of the full tax relief available to him in any year, he may carry forward the unused tax relief to a later year, for a maximum period of 6 years following the end of the relevant year of charge. Within that six year period, however, any contribution made which exceeded the maximum relief available for that year alone, would absorb all, or part, of any brought forward relief, irrespective of whether or not it was required to reduce any tax payable. The example which follows demonstrates how this would work.

An individual has income of £35,000 and makes contributions to a pension scheme of £2,000 in 2011. He thus has £33,000 of potential tax relief available to carry forward to later years.

In 2012 he receives an inheritance of £50,000 and invests it in his pension scheme. His income is again £35,000.

The calculation of his unused tax relief to carry forward to 2013 and later years is:

Brought forward	£33,000
Year of Charge 2012 allowance	<u>£35,000</u>
	£68,000
Contributions made in 2012	<u>£50,000</u>
Available to carry forward	<u>£18,000</u>

Note that this method would apply even though he only requires £35,000 of tax relief on his contributions to eliminate any liability for 2012.

3.6. Full Commutation on Grounds of Triviality

- 3.6.1. The primary purpose of a pension arrangement is, of course, to provide an income to the individual for his life. Whilst the Department would not wish to undermine that basic principle, it recognises that there are certain circumstances where it is not in the best interests of the member, nor is it cost effective for the scheme administrators to pay benefits by way of income, and that instead full commutation of any pension benefits should be allowed so that a lump sum may be paid.
- 3.6.2. The Director's Practice Notes have recognised this issue for some time and, for OPS, have allowed full commutation where the annuity which would otherwise have been paid is less than £500. A similar, informal, concession has been in place also in respect of PPs. However, the Department feels that it is now appropriate to formalise such commutation by way of legislation.
- 3.6.3. The Department therefore proposes that full commutation of benefits would be available to an individual in the following circumstances:

- (a) If an individual is 50 or over, and the fund value¹ does not exceed £30,000 in aggregate for all retirement pension schemes, full commutation may be allowed.

To ease administration for individual schemes, however, if the fund value within a scheme did not itself exceed £15,000, the administrators could allow full commutation without taking account of the value of funds in other schemes (the responsibility for ensuring that the limits were not breached would then rest with the individual and the Director). The purpose of this provision is to prevent schemes having to engage in complex tracking of an individual's other pension arrangements.

- (b) A tax charge at one-half the standard rate would apply to commutation under the above provisions. There would be no ability to take any part of the commutation tax-free.
- (c) If the individual was under 50 and the fund value did not exceed £15,000, full commutation would also be available.
- (d) In those circumstances, a tax charge at the standard rate would apply to benefits commuted.

3.7. Net Pay Arrangements

- 3.7.1. During the course of the consultation exercise mentioned at 2.5 and 2.6 above, it was suggested that consideration be given to revising the method of allowing tax

¹ "Fund value" would be the amount of fund available before reduction by way of lump sum.

relief for contributions made by employees to PPs sponsored by their employer. At present, where an employee makes a contribution to their employer's OPS, the employer may deduct the amount of those contributions from the employee's gross pay before calculating the tax which should be deducted under the ETI Scheme. However, this cannot be done for contributions to a PP at present, meaning that there is additional administration for both the Income Tax Office and the employer in terms of Coding Notices, etc., and potentially a cash flow disadvantage for the employee.

- 3.7.2. Given that in recent years, there has been an increasing move by employers towards providing facilities for pension saving by means of either group PPs or simply contributions to an employee's own individual PP arrangements, the Department feels that it is appropriate to amend the rules of operation of the ETI Scheme, such that contributions to PPs by the employee could then be treated in the same way as those made to OPS.

3.8. Approval of Schemes

- 3.8.1. As mentioned at 2.1. above, international pension provision forms an important part of Guernsey's financial services sector. This has been particularly so since the introduction in 2006 of QROPS legislation in the United Kingdom, and Guernsey is now regarded by many as a world leader in the provision of good quality service to those wishing to transfer pensions from the UK.
- 3.8.2. Clearly, however, as with any international business, there is a potential risk to Guernsey's reputation that needs to be managed and, in order to deal with a number of concerns which arose regarding QROPS in 2008, the Director issued a statement, explaining that he was extending the conditions which applied to approval of domestic schemes to those schemes which admitted non-residents also. This was regarded as a significant step in maintaining Guernsey's good standing in the eyes of the UK authorities in respect of QROPS transfers.
- 3.8.3. The Department feels it is now time to build on the reputation which has already been established and to facilitate the expansion of such business. In order to do this, it is essential that it can be seen that a scheme established in Guernsey, no matter where the employer or members of the scheme are resident, is under the appropriate control, particularly where it is seeking QROPS approval from the UK authorities.
- 3.8.4. In order to achieve such control, the Department feels it is appropriate to amend the legislation in order to allow the Director to specifically approve a scheme, whether or not it has Guernsey resident members.

4. Summary of proposals

In summary, the changes proposed are as follows: -

- 4.1. Approval procedures: the process of seeking approval will be simplified and submission of, often bulky, scheme documentation will not be required as a matter of course. A suitable application form will be devised for trustees and administrators to complete (Resolution required for OPS).
- 4.2. OPS will be able to calculate lump sum benefits by reference to fund value rather than, as at present, final remuneration (no Resolution required).
- 4.3. The maximum lump sum which may be taken from all types of pension arrangement will be increased to 30% of fund value (Resolution required for PPs).
- 4.4. That lump sums may be taken at any time after age 50, by way of commutation of pension benefits, and will no longer be dependent on pension or annuity benefits commencing at the same time (Resolution required for PPs).
- 4.5. Pension benefits paid by OPS may be calculated by reference to the value of the fund rather than final remuneration, as at present (no Resolution required).
- 4.6. An individual will no longer need to actually retire from employment in order to activate benefits from an OPS, subject to the rules of the specific scheme (no Resolution required).
- 4.7. There will be no overall monetary limit on the amount which may be contributed to an OPS or PP by any individual (no Resolution required).
- 4.8. Tax relief will be available to all individuals in respect of their own contributions, whether or not they are in receipt of relevant earnings. However, this will be subject to a limit of the lower of 100% of taxable income or a specific monetary limit to be set by Regulation by the Department. At present the Department anticipates that this limit will be between £35,000 and £50,000 (Resolution required for OPS; Resolution on Budget required for PPs).
- 4.9. Relief to an employer for contributions they make to an employee's pension arrangement will continue on the same basis as at present (no Resolution required).
- 4.10. Contributions to a PP by an employer will not constitute an emolument in the hands of the employee, thus placing them on the same basis as contributions made to an OPS (Resolution required).
- 4.11. If an individual does not take advantage of the full tax relief available to him in any year, he may carry forward the unused tax relief to a later year, subject to certain limits, as explained in 3.5.4.(e) above (Resolution required for OPS).
- 4.12. Full commutation of benefits will be available to an individual in certain circumstances (Resolution required).

- 4.13. Where an employee contributes to a group PP sponsored by his employer, the employer may take account of those contributions when calculating the tax due from the employee under the ETI Scheme (no Resolution required).
- 4.14. In order to facilitate proper control over schemes which are based in Guernsey but have non-resident members, the Director will be able to approve a scheme whether or not the individuals and/or the employers are resident in Guernsey (Resolution required).

5. **Resource Implications**

As the amount of additional tax relief given will depend upon the level of individuals' commitment to greater pension contributions, the Department is unable to state with any certainty what the likely resource implications will be if all of the proposals set out in this report are accepted and implemented. However, the Department is of the view that while the proposals will, if accepted, result in some reduction in revenues, it is not considered that this reduction would be material. Indeed, the relaxation of some of the benefit restrictions might create additional tax revenue sooner than would otherwise have been the case.

6. **Date of commencement**

It is intended that, pursuant to section 1 of the Taxes and Duties (Provisional Effect) (Guernsey) Law 1992, a Projet de Loi enacted to implement the proposals contained in this Report shall have effect from the date on which it received States approval as if it were a law sanctioned by Her Majesty in Council and registered on the records of the island of Guernsey.

7. **Recommendations**

- 7.1 The Department recommends the States to;
 - (a) note the proposals in paragraphs 4.2, 4.5, 4.6, 4.7, 4.9 and 4.13; and
 - (b) direct that legislation is enacted as set out in paragraphs 4.1, 4.3, 4.4, 4.8, 4.10, 4.11, 4.12 and 4.14 as follows.
- 7.2 To remove the need for OPS, when seeking approval under section 150 of the Law, to submit the constitutive documents and accounts as a matter of course, whilst retaining the right of the Director to request said documents if he thinks fit (4.1).
- 7.3 To determine the maximum lump sum which may be taken from a PP at 30% of the fund value (4.3).

- 7.4 To remove the requirement for the right to elect for part commutation of annuity payable under a PP to be exercised at the same time as the annuity commences, provided that such exercise should not be prior to age 50 (except where the Director agrees it is appropriate, for specific occupations) (4.4).
- 7.5 To allow contributions to an OPS to qualify for tax relief to the extent that they do not exceed the lower of 100% of the individual's income or an amount to be set by the Department by regulation (4.8).
- 7.6 To ensure that contributions by an employer to an employee's PP do not constitute an emolument in the employee's hands (4.10).
- 7.7 To allow unused tax relief in any year of charge to be carried forward and added to available relief in a later year of charge, subject to a maximum carry forward period of six years after the end of the year of charge in which the excess arises (4.11).
- 7.8 To allow full commutation of an annuity or pension in the circumstances described in paragraph 3.6.3 above, and to introduce a tax charge as also outlined therein (4.12).
- 7.9 To allow the Director to approve an OPS or PP whether or not the member is resident in Guernsey, and/or, the sponsoring employer is resident or carrying on business in Guernsey (4.14).

Yours faithfully

C N K Parkinson
Minister

Glossary

In the Report above, the terms used have the following meanings:

- “OPS” – occupational pension scheme (i.e. a scheme sponsored by an employer and approved under section 150 of the Income Tax (Guernsey) Law, 1975, as amended (“the Law”).
- “QROPS” – qualifying recognised overseas pension scheme (UK pensions legislation that, inter alia, facilitates transfers from UK pension schemes to overseas, including Guernsey, schemes).
- “PP” – personal pension arrangement, covering both retirement annuity contracts and retirement annuity trust schemes generically.
- “RAC” – retirement annuity contract (i.e. a contract approved under section 157A of the Law).
- “RATS” – retirement annuity trust scheme (i.e. a scheme approved under section 157A of the Law).
- “Director” – the Director of Income Tax.
- “Department” – Treasury and Resources Department.

(NB The Policy Council supports the proposals.)

The States are asked to decide:-

IX.- Whether, after consideration of the Report dated 24th August, 2010, of the Treasury and Resources Department, they are of the opinion:-

1. To note the proposals in paragraphs 4.2, 4.5, 4.6, 4.7, 4.9 and 4.13 of that Report.
2. To direct that legislation is enacted as set out in paragraphs 4.1, 4.3, 4.4, 4.8, 4.10, 4.11, 4.12 and 4.14 of that Report as follows.
 - (1) To remove the need for occupational pension schemes, when seeking approval under section 150 of the Income Tax (Guernsey) Law, 1975, as amended, to submit the constitutive documents and accounts as a matter of course, whilst retaining the right of the Director to request said documents if he thinks fit (4.1).
 - (2) To determine the maximum lump sum which may be taken from a personal pension arrangement at 30% of the fund value (4.3).
 - (3) To remove the requirement for the right to elect for part commutation of annuity payable under a personal pension arrangement to be exercised at the same time as the annuity commences, provided that such exercise should not be prior to age 50 (except where the Director agrees it is appropriate, for specific occupations) (4.4).
 - (4) To allow contributions to an occupational pension scheme to qualify for tax relief to the extent that they do not exceed the lower of 100% of the individual's income or an amount to be set by the Department by regulation (4.8).
 - (5) To ensure that contributions by an employer to an employee's personal pension arrangement do not constitute an emolument in the employee's hands (4.10).
 - (6) To allow unused tax relief in any year of charge to be carried forward and added to available relief in a later year of charge, subject to a maximum carry forward period of six years after the end of the year of charge in which the excess arises (4.11).
 - (7) To allow full commutation of an annuity or pension in the circumstances described in paragraph 3.6.3 of that Report, and to introduce a tax charge as also outlined therein (4.12).

- (8) To allow the Director to approve an occupational pension scheme or personal pension arrangement whether or not the member is resident in Guernsey, and/or, the sponsoring employer is resident or carrying on business in Guernsey (4.14).
- 3. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

TREASURY AND RESOURCES DEPARTMENT**PROPOSAL FOR THE ABOLITION OF RETENTION TAX**

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

7th September 2010

Dear Sir

1. **Executive Summary**

The Treasury and Resources Department (“the Department”) proposes that, with effect from 1 January 2011, Guernsey banks, custodians and other economic operators who are treated as “paying agents” for the purposes of the arrangements that Guernsey has entered into with Member States of the European Union (“EUMS”) may choose to move to full exchange of information, when making payments of the type that fall within the scope of the agreement, provided that all Guernsey paying agents must move to full automatic exchange by 1 July 2011. As a consequence, with effect from 1 July 2011, no Guernsey paying agent will have the option of deducting Retention Tax from interest payments made to their customers/clients who are residents of EUMS.

2. **Introduction**

- 2.1 EU Directive 2003/48/EEC, which is colloquially known as the “EU Savings Directive” (hereafter referred to as “EUSD”) was effective from 1 July 2005, as were various bilateral agreements that Guernsey had entered into in order to bring measures the same as those in the EUSD into effect, between itself and the EUMS (hereafter referred to as “the EUSD equivalent agreements”).
- 2.2 The main purpose of the EUSD and the EUSD equivalent agreements was to implement automatic exchange of information between EUMS, and also their associated territories (which includes the Crown Dependencies) and with certain third countries such as Switzerland, when a bank, custodian or other similar operator (a “paying agent”) in one of the territories made a payment covered by the EUSD, and the EUSD equivalent agreements (hereafter referred to as “interest payments” to a resident of an (another) EUMS).

- 2.3 At the time, however, Austria, Belgium and Luxemburg (who were all EUMS) were allowed exemption from providing full automatic exchange in view of structural differences, which prevented them from doing so, during a transitional period. They were instead able to implement a system of withholding tax at rates which were to progressively increase as follows:

1 July 2005 – 30 June 2008	15%
1 July 2008 - 30 June 2011	20%
Thereafter	35%

- 2.4 Guernsey (together with the other Crown Dependencies) adopted this approach also, using the same rates and time lines, as did Switzerland. In Guernsey the process became known as Retention Tax. Whilst Retention Tax was the default requirement, there was also provision for beneficial owners of interest to elect for information to be exchanged with their home tax jurisdiction instead of suffering tax deductions.
- 2.5 The transitional period was to end only when the EU was satisfied that Switzerland, San Marino, Andorra, Liechtenstein and Monaco had arrangements in place which ensured effective exchange of information, on request, with respect to interest payments, and also that the United States of America (“USA”) was committed to exchange of information on request in respect of interest payments. (In practice, the EU accepted that the USA was so committed fairly early on in the process, so the only issue remaining was with the European third parties referred to above.)
- 2.6 The EUSD equivalent agreements provided that 75% of the Retention Tax collected was to be transferred by Guernsey to the EUMS in which the beneficial owner of the interest resided, and that territory was to give credit for the Retention Tax against any domestic liability. The remaining 25% of the tax collected was retained by Guernsey.
- 2.7 Since the implementation of the EUSD measures, Guernsey has collected:

2006	£ 4.8m, of which £1.2m was retained as Guernsey’s 25% share
2007	£15.3m, of which £3.8m was retained as Guernsey’s 25% share
2008	£16.2m, of which £4m was retained as Guernsey’s 25% share
2009	£14.8m, of which £3.7m was retained as Guernsey’s 25% share
2010	£ 6.5m, of which £1.6m was retained as Guernsey’s 25% share

(NB – the amounts received are in respect of retention tax withheld by the paying agent in the previous calendar year, i.e. the £6.5m received in 2010 was in respect of interest paid in 2009.)

3. **The move towards full automatic exchange**

- 3.1 In 2009, Belgium announced that it intended to move to automatic exchange of information from 1 January 2010, meaning it would no longer operate the withholding tax regime.

- 3.2 The Isle of Man has also now made an announcement that it intends to move completely to automatic exchange from 1 July 2011, again irrespective of whether or not the transitional period has come to an end by that time.
- 3.3 There may be a perception, internationally, that the deduction of Retention Tax beyond July 2011 at a rate of 35% (see 2.3 above) may suggest that the beneficial owners of the interest bearing such a rate of Retention Tax could be doing so as the income is not being disclosed to the tax authorities in their home jurisdictions.
- 3.4 After the Isle of Man announcement, Policy Council issued a Press Release which contained the following:
- “The withholding tax arrangement was always considered to be transitional and the States of Guernsey has consulted with industry about a review of the position in the island.
- “The international climate is changing with regards to exchange of information. We are fully aware of those developments and have had the position under review for some time.
- “Guernsey’s commitment to the highest international standards in transparency is constant.”
- 3.5 In addition, there is some uncertainty as to precisely whether, or when, the transitional period will end. However, arguably a recent commitment made by Switzerland and the other jurisdictions referred to in 2.5 above, to exchange information on request in accordance with the provisions of the OECD Model Tax Information Exchange Agreement, or Article 26 of the OECD Model Tax Convention on Income and on Capital, has meant that the conditions for the transitional period to come to an end have already been met.

Furthermore, the EU Council is currently considering a draft Directive to amend the EUSD. If agreed, the amended Directive will extend the scope of the EUSD and increase the complexity of its operation (such revised measures would not be applied to Guernsey automatically). If it was decided that Guernsey should adopt the same measures as the amended Directive (and no such decision has yet been made) this could make the application of a Retention Tax system increasingly complicated for paying agents based in Guernsey.

4. **Public Consultation**

- 4.1 In May 2010, the Fiscal and Economic Policy Group (“FEPG”) issued a consultation document on a possible move to automatic exchange of information under the EUSD equivalent agreements.

- 4.2 The overwhelming view of the respondents was that it was inevitable that Retention Tax had a finite life. Concerns were expressed, however:
- (a) that there may be an impact on their business if a move to automatic exchange was imposed upon them with inadequate notice for them to make the appropriate changes to their computer systems; and
 - (b) there could be adverse consequences for them if changes were imposed from a date which did not suit their other, non-computer, business needs and the interests of their customers/clients. For example, some, but not all, respondents gave a preference for changes to be introduced from the beginning of a calendar year;
 - (c) in general whilst most correspondents said they would prefer a co-ordinated movement, away from Retention Tax with Jersey, the view was also expressed that in terms of perception, internationally, it would be preferable for Guernsey to move to automatic exchange, as the only option, no later than the Isle of Man, i.e. no later than 1 July 2011.
- 4.3 The outcome of the consultation process was considered by the FEPPG during July 2010 and, with the agreement of the Policy Council, during the course of the States Meeting in July 2010, the Chief Minister made the following statement:
- “In light of the views expressed by members of industry and industry bodies, and given the States’ commitment to maintaining the highest standards of tax transparency, the Fiscal and Economic Policy Group recommended to Policy Council that institutions in Guernsey should move to automatic exchange of information from January 1st 2011 and no later than July 1st 2011. This “from but by” transition period is to provide the maximum flexibility to our industry in making their necessary adjustments to their payment systems”.
- 4.4 Notwithstanding the possible perceptions referred to at 3.3 above, it was always perceived that as the rate of Retention Tax increased, the acceptance of tax deductions would become less palatable for investors and a shift towards information exchange could be expected to follow. As noted above, with effect from 1 July 2011 the rate will increase to 35%.
- 4.5 To abandon Retention Tax would clearly lead to the loss of the 25% of such tax which is retained by Guernsey and which, to date, has been a not inconsiderable amount (see 2.7 above). This was, however, never expected to be a long term income stream, for the reasons that the withholding of tax from interest payments was only considered to be a transitional measure.
- 4.6 The present time could be considered as good as any to mitigate the loss of tax revenues from moving away from Retention Tax, because falling interest rates

and the general economic climate, etc., has reduced the benefit in Guernsey (from £3.7m in 2009 to £1.6m in 2010 – see 2.7 above). In any event, the move to a 35% retention tax rate could only be expected to significantly reduce the amount the States received from this source.

5. **Legislative consequences of moving to automatic exchange of information**

- 5.1. The Foreign Tax (Retention Arrangements) (Guernsey & Alderney) Law 2004 provides the legislative framework for the Retention Tax but the “mechanics” of the scheme are governed by the Foreign Tax (Retention Arrangements) (Guernsey & Alderney) Ordinance 2005. The cessation of Retention Tax, and a move to automatic exchange, will be achievable, therefore, by amendment to the Ordinance rather than the primary legislation.
- 5.2. The abolition of Retention Tax does not require renegotiation of the EUSD equivalent agreements with EUMS. By virtue of Article 14 of the agreements, Guernsey can change to an automatic exchange of information before the end of the transitional period (see 2.3. – 2.5. above). In order to do so, in practice, Guernsey would have to make an election under Article 14 of the agreements to apply the automatic exchange of information provisions. This election would then disapply the articles of the agreements which regulate retention tax so that Guernsey would, thereafter, have to comply only with the automatic exchange provisions.

6. **Proposals**

- 6.1 In view of the move, by some territories, away from withholding tax (equivalent to Retention Tax in Guernsey) towards automatic exchange of information, and the representations made by respondents to the consultation process, referred to at 4 above, the Department proposes that with effect from 1 January 2011, a paying agent in Guernsey may choose, if it so wishes, to cease deducting Retention Tax from payments of interest made to residents of EUMS (and thereafter, the paying agent would be obliged only to automatically exchange information). The Department also proposes, however, that all paying agents in Guernsey must cease to deduct Retention Tax from interest payments made to residents of EUMS no later than 30 June 2011. As a consequence, from 1 July 2011, all Guernsey paying agents would automatically exchange information.
- 6.2 The Department believes that this “transitional” period for the abolition of Retention Tax provides the best solution for paying agents in Guernsey and their customers/clients situated in EUMS, taking into account that the abolition of Retention Tax is considered to be in the best interests of the Island, taking all matters into account, as set out in this Report.
- 6.3 Under the proposed transitional arrangements, set out at 6.1 above, it is possible that some paying agents in Guernsey may withhold Retention Tax from interest payments in the period 1 January 2011 – 30 June 2011 inclusive. Under the

present legislation, that Retention Tax would not be paid over to the Director of Income Tax until 31 March 2012. In view of the fact that Retention Tax will cease to apply with effect from 1 July 2011, however, the Department sees no reason why Guernsey paying agents should not make payment of any such Retention Tax, to the Director of Income Tax, any later than 30 September 2011. This would be consistent with the existing arrangements, under which a paying agent is required to pay over Retention Tax, to the Director of Income Tax, within 3 months of the end of the relevant year (30 September 2011 being 3 months after 30 June 2011, the date that paying agents must cease to deduct Retention Tax).

7. **Recommendations**

The Department recommends the States to agree:

- 7.1 That Guernsey paying agents should be able to cease to deduct Retention Tax from interest payments made to beneficial owners resident in EUMS from 1 January 2011, but must do so no later than 30 June 2011, after which all Guernsey paying agents must automatically exchange information in accordance with the EUSD equivalent agreements.
- 7.2 That any Retention Tax which is deducted by a Guernsey paying agent from interest payments made to beneficial owners resident in EUMS, in the period 1 January 2011 – 30 June 2011 inclusive, to be paid over to the Director of Income Tax no later than 30 September 2011.
- 7.3 To direct the preparation of such legislation as may be necessary to give effect to the above decisions.

Yours faithfully

C N K Parkinson
Minister

(NB The Policy Council supports these proposals which reflect Guernsey's continuing strong commitment to maintaining the highest standards of tax transparency. The Policy Council is particularly pleased to note the Fiscal and Economic Policy Group's extensive and full consultation with industry in informing these proposals. The Policy Council agrees that the "from but by" transition period provides the maximum flexibility to our industry in making their necessary adjustments to their payment systems.)

The States are asked to decide:-

X.- Whether, after consideration of the Report dated 7th September, 2010, of the Treasury and Resources Department, they are of the opinion:-

1. That Guernsey paying agents shall be able to cease to deduct Retention Tax from interest payments made to beneficial owners resident in EUMS from 1 January 2011, but must do so no later than 30 June 2011, after which all Guernsey paying agents must automatically exchange information in accordance with the EUSD equivalent agreements.
2. That any Retention Tax which is deducted by a Guernsey paying agent from interest payments made to beneficial owners resident in EUMS, in the period 1 January 2011 – 30 June 2011 inclusive, to be paid over to the Director of Income Tax no later than 30 September 2011.
- 3 To direct the preparation of such legislation as may be necessary to give effect to the above decisions.

TREASURY AND RESOURCES DEPARTMENT

SALE OR LEASE OF STATES PROPERTIES OF HISTORIC IMPORTANCE

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

13th September 2010

Dear Sir

1. Executive Summary

The Treasury and Resources Department is empowered to approve the sale or lease of land and property on behalf of the States, except for any property of historic importance, when States approval is required for its sale or lease where this is in excess of 21 years (Billet d'Etat V, 2006). However, the Department considers that:

- There would be merit in agreeing a more flexible approach that would remove the need for a States Report each and every time a property of historic importance is recommended for sale or lease for a term exceeding 21 years.
- The approach should be based on a joint assessment involving both the Treasury and Resources Department and the Environment Department as to whether a States Report is necessary in relation to a specific property of historic importance.
- In instances where both Departments agree that a States decision is not necessary, for example where a property is listed but it has insufficient historic importance to merit a States Report, then the Treasury and Resources Department should be empowered to approve the sale or lease for a term exceeding 21 years.
- Where agreement cannot be reached, the matter would be referred to the States of Deliberation.

It is suggested that the above approach will provide an appropriate safeguard for those historic properties in States ownership when they are being considered for sale or lease for a term exceeding 21 years, while reducing the requirement for States Reports to be submitted in respect of more operational matters.

2. **Background**

A number of States owned properties of historic importance have been sold in recent years, including the Vale Mill and Belvedere House. Each of these has been included within a States Report. For illustrative purposes, it might help to explain that, if this Report had been approved prior to the sale of the above, then a property such as the Vale Mill might not have been brought to the States, whereas Belvedere House would undoubtedly have been, given its historic importance.

Not all historic buildings are currently included in the List of Protected Buildings or the List of Protected Monuments, and certain buildings and historic sites may potentially be put forward for listing as part of the review currently being conducted by the Environment Department. The Treasury and Resources Department will continue to liaise with the Environment Department with regard to any changes that may affect the States property portfolio.

If the proposals contained within this Report are approved, a States Report would still be submitted in some instances - for example a property might have significant financial and/or strategic value in addition to it being of historic importance. However, the automatic requirement to present a States Report which would presently include individual properties of lesser historic importance would be removed.

With regard to the scope and definition of the term 'historic importance', if a property is "listed" by the Environment Department then for these purposes it is considered to be of historic importance. However, as mentioned above some properties are not listed but may, nonetheless, still have historic importance. The proposed process of consultation between the Treasury and Resources Department and Environment Department would offer greater clarity as to what buildings fall into this category.

Properties that might be identified for sale or lease at some point in the future could include the following examples (this list is not exhaustive):

- 1 Granville House (listed), Mount Durand (previously occupied by the Education Department) now vacant
- 2 Lyndhurst, Rue des Varendes (HSSD – residential)
- 3 Rosewood and Rosewood Cottage, La Grande Rue, St Martins (HSSD – residential)
- 4 Vauquiedor Lodge, Le Vauquiedor (the roadside wall is listed) (HSSD – residential)
- 5 2-3 Jubilee Terrace (listed), South Esplanade (Guernsey Water offices)

3. Consultation Process and Responses from Departments

Comments have been sought from all States Departments with regard to the proposals contained in this Report. The Environment Department has no objection in principle to the proposed new arrangements. The Department's letter of 3 June 2010 is appended to this Report.

Comments from other Departments have included support for the proposals whilst acknowledging that States involvement may, at times, be appropriate. One Department considered that more detail was required in terms of the assessment process and criteria to be adopted. More generally, however, the attempt to simplify processes associated with the sale or lease of properties of historic importance was welcomed. There was also acceptance that property disposals needed to be considered in the context of the wider States' property strategy, rather than in isolation. For this reason, it was felt that before selling States properties, an assessment should be undertaken on whether or not there was a case, for example, for retention and re-use by States Departments.

The Housing Department has explained that certain States properties might be of potential interest for social housing. The Treasury and Resources Department will, of course, consider the views and comments of all States Departments as part of a standard consultation exercise in relation to individual properties before any disposal route was finalised. However, the precise timetable for any particular disposals cannot be determined at the present time.

4. Factors to be Considered

The Treasury and Resources Department recognises that there are many factors to be taken into account when deciding the future of an individual property, including States' business requirements, the cost of re-locating existing occupiers, building condition and running costs *etc.* However, it is considered unnecessary for a States Report to be produced each time purely because the property is technically classified as one of historic importance, where a practical alternative approach to assess the merits of that property has been put in place as proposed in this Report.

Each property of historic importance under consideration for possible sale or lease would continue to be subject to appropriate consultations with States Departments (including the occupying Department) to examine, *inter alia*, whether there is a case for retaining, re-using or else disposing of the property concerned.

An options appraisal covering financial, non-financial, strategic and other considerations would be undertaken. Such assessments are common practice in terms of good property management. The States has already approved a property rationalisation strategy (Billet d'Etat XXIV, 2007) which recognises

that the States needs to continually assess its portfolio in an objective manner. The result of such assessment will be that certain properties may come under serious consideration as to whether they should be released.

5. Historic Sites Strategy

The Treasury and Resources, Environment, and Culture and Leisure Departments are the major property managers of historic sites for the States of Guernsey. These Departments have produced an Historic Sites Strategy for all States properties, a copy of which is appended to this Report. The Strategy covers, amongst other items, the subject of disposals. It recognises that use gives value to buildings, and is normally the best way of securing their long term future. There is a presumption in favour of the disposal by sale or lease of heritage assets which do not meet retention criteria laid out therein, rather than their remaining under-used or un-used while still incurring significant maintenance costs which have to be funded by the taxpayer. In such cases, the approach to disposal will include securing the long term future of the heritage asset as a primary objective.

6. Conclusion

It is recognised that the possible sale or lease of properties of historic importance merits proper consideration before a decision is taken. The revised arrangements proposed in this Report will mean that appropriate consultations and assessments will continue to be carried out, but without the automatic requirement for a States Report for one factor alone. In this way, more operational matters such as the sale or lease of properties of lesser historic importance can be dealt with at the appropriate level.

7. Recommendations

The States are recommended to:

- (i) Delegate to the Treasury and Resources Department, the authority to approve such transactions involving the sale or lease of historic properties exceeding 21 years subject to the prior agreement of the Environment Department.
- (ii) Note that in the event of agreement not being reached between the Treasury and Resources Department and Environment Department on whether or not a property merits consideration by the States of Deliberation then the matter will be referred to the States of Deliberation for the decision on its future.
- (iii) Note the Treasury and Resources Department's intention to report annually to the States, through the States Accounts, on any properties of

historic importance that have been disposed of through sale or lease exceeding 21 years.

Yours faithfully

C N K Parkinson
Minister

HISTORIC SITES STRATEGY

A STRATEGY FOR THE MANAGEMENT OF HERITAGE ASSETS IN PUBLIC OWNERSHIP IN GUERNSEY

Retention

The States of Guernsey will retain and sustain, and may acquire, heritage assets which are either:

Operational buildings, structures and land which play a direct role in delivering the service objectives of its Departments; or

Historic Sites and land forming their setting that are statutorily designated cultural monuments meeting two criteria:

significance – be of outstanding cultural heritage value in the Guernsey context, either intrinsically or as part of a group (eg megalithic monuments; fortifications); *and*

necessity - such that public ownership is essential to secure their long term future, because they:

lack capacity for beneficial use sufficient to sustain them without compromising their heritage value (the States as ‘owners of last resort’);
and/or

require sensitive management, comparable to museum artefacts, to maintain that value; or

form a practically inseparable part of an operational holding.

A few places (eg Castle Cornet) qualify as ‘heritage assets’ on both counts, and some will also have natural heritage value.

2 Disposal

Use gives value to buildings, and is normally the best way of securing their long term future. Thus there is a presumption in favour of the disposal by lease or sale of heritage assets which do not meet these retention criteria, rather than their remaining under-used or un-used.

In such cases, the approach to disposal will include securing the long term future of the heritage asset as a primary objective. This will normally involve:

- Marketing on the basis of a detailed assessment of the significance of the asset, both as a whole and in its parts, and a brief which sets out the opportunities and

constraints that stem from it, and from planning policy;

- Where buildings need immediate repair and bringing into use, seeking bids on the basis of the quality and sustainability of proposals to do so, as well as financial offers;
- Making the choice on the basis of achieving optimum public value;
- Ensuring that the freehold or leasehold is only transferred on completion of any necessary works to a defined standard (via a ‘building agreement’);
- Where appropriate, using covenants in leases to secure long term maintenance to defined standards.

Where necessary to secure the long-term future of a heritage asset, or reduce risk to a level sufficient to make it marketable, its historic fabric may be repaired prior to disposal.

3 Informed conservation

Decisions about change to heritage assets, including repair and maintenance works, will be informed by an understanding of their significance, and how it is vulnerable to harm. The objective will be to manage change in ways that will sustain the significance of the heritage asset. This requires an understanding of:

- the original form and subsequent evolution of the fabric (including the below-ground component);
- its significance both as a whole and in its elements;
- how that significance is both vulnerable to erosion and damage, and capable of being revealed, recovered or enhanced;
- how the fabric was constructed and, in a technical sense, how that construction was intended to function.

4 The information base

The information base necessary to achieved informed conservation will be provided. In particular

- accessible, clearly presented, authoritative data and guidance will be made readily available to everyone who has a role in the management of a heritage asset, linked to the Digimap;
- in doing so, priority will be given to heritage assets

- which are particularly vulnerable to loss of significance without significant intervention; and
- where significant change is proposed or would be desirable (for example historic sites that have potential for beneficial use);
- the database will be kept up to date as works are undertaken and / or knowledge grows.

5 *Management objectives for heritage assets generally*

Conserving the fabric and thus the significance of heritage assets will be achieved by:

- planned, appropriate periodic maintenance (cleaning gutters, painting joinery, managing plant growth in and on walls, etc);
- major works of repair and consolidation
 - planned through regular assessment of condition against a baseline survey;
 - prioritised through risk management.

These measures should minimise the need for rapid response to unforeseen failures.

6 *Additional objectives for Historic Sites*

The management of historic sites should aim to maximise, so far as this is compatible with sustaining their significance, their

- use in delivery of the Cultural Strategy;
- accessibility, both intellectual and physical;
- potential for incidental uses and events; and thus
- net revenue contribution (ie income less costs of generation).

7 *Statutory control of works*

Works to States-owned heritage assets are subject to the same requirements for consent as those in private ownership, and should set an example.

Applications will be supported by a statement, setting out a level of understanding of the asset, and of the effect of the works on its significance, sufficient to justify the proposals.

A separation of responsibility will be maintained between those proposing and seeking to justify proposals, and those advising on the acceptability of such proposals under law and policy.

For routine work of a limited or repetitious nature, the concept of 'standing consents' or 'Heritage Partnership Agreements' will be explored.

8 Organisation and procurement of works

Treasury and Resources Department will have primary responsibility for specifying and procuring works:

- in response to requests from the Department responsible;
- following established good practice in planned maintenance;
- respecting the need to sustain the significance of the asset;
- commissioning more detailed analysis of the evolution and significance of the asset if existing data is inadequate to inform the works;
- involving external specialist expertise in building conservation if required;
- wherever possible, structuring the use of external consultants to facilitate the transfer of skills to in-house staff;
- achieve best value (ie take into account quality as well as cost) in the procurement of professional services and works, using procedures that are economical in the use of public service staff resources.

November 2006

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

The States are asked to decide:-

XI.- Whether, after consideration of the Report dated 13th September, 2010, of the Treasury and Resources Department, they are of the opinion:-

1. To delegate to the Treasury and Resources Department the authority to approve such transactions involving the sale or lease of historic properties exceeding 21 years subject to the prior agreement of the Environment Department.
2. To note that in the event of agreement not being reached between the Treasury and Resources Department and Environment Department on whether or not a property merits consideration by the States of Deliberation then the matter will be referred to the States of Deliberation for the decision on its future.
3. To note the Treasury and Resources Department's intention to report annually to the States, through the States Accounts, on any properties of historic importance that have been disposed of through sale or lease exceeding 21 years.

COMMERCE AND EMPLOYMENT DEPARTMENT**DEPOSIT COMPENSATION SCHEME AMENDMENT**

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

31st August 2010

Dear Sir

1. Executive Summary

- 1.1. This report recommends changes to the Deposit Compensation Scheme (“DCS”). The key change is to remove the requirement for the scheme to be partially pre-funded to £20 million.
- 1.2. The key reasons for these changes are:
 - The present pre-funding arrangement places Guernsey at a significant competitive disadvantage to other jurisdictions such as Jersey and the Isle of Man, which has the potential to result in the banking sector shrinking over time as banks consolidate operations in a single jurisdiction to Guernsey’s disadvantage,
 - The removal of the pre-funding relieves the States of its current Guarantee of £20 million, and
 - The costs of administering the scheme will be reduced.
- 1.3. In addition the Commerce and Employment Department (“the Department”) is recommending a number of other changes to the scheme including:
 - Expanding the scope of eligible depositors to include charities,
 - Expanding the ability of the Deposit Compensation Scheme Board (“the DCS Board”) and the Guernsey Financial Services Commission to share information, and
 - A number of minor amendments to deal with technical drafting issues.

- 1.4. The DCS Board has consulted the banking industry on these proposals. The banking industry strongly supports these changes.

2. Background

- 2.1. The DCS was introduced in 2008 at the height of the Global Financial Crisis¹. The scheme was prepared in less than six weeks. The scheme currently provides compensation when a bank fails as follows:

- It covers deposits by individual retail depositors, as well as Retirement Annuity Trusts and accounts held for the benefit of children,
- It provides compensation of up to £50,000 (or equivalent in a foreign currency) per individual retail depositor,
- Compensation is payable within 3 months of a bank failure,
- Compensation is capped at a total of £100 million in any 5 year period. This effectively also caps compensation in respect of any one bank to £100 million.

- 2.2. The DCS Board has advised that the level of cover at £100 million would provide 100% compensation for all banks which were incorporated in Guernsey and subsidiaries of banks in other jurisdictions. Where the bank operates as a branch of a bank in another jurisdiction the level of protection is less than 100% however the banks operating as branches in Guernsey are the UK clearing banks and systemic banks in other jurisdictions where the prospect of a bank failure is very small. The Department is satisfied that the level of cover at £100 million is adequate for the types of banks which accept retail deposits in Guernsey. Nevertheless the Department will continue to work with the DCS Board to monitor the appropriateness of the statutory cap.

- 2.3. Compensation of up to the maximum of £100 million is to be funded as follows:

- £20 million “pre-funded” through the use of a captive insurance company,
- £10 million levied on all licensed banks equally,
- £70 million levied on the banks according to a formula set out in Regulations.

- 2.4. The DCS Board has advised that based on their calculations under the pre-funded levy, banks in Guernsey will pay an annual premium of up to £130,000 under the existing pre-funding model. This cost will be borne by each bank for a minimum of 10 years.

¹ See Billet D’Etat XIX 2008, 26 November 2008

- 2.5. One of the goals of pre-funding through the use of a captive insurance company was to attempt to use that captive to re-insure some of the risk in the commercial insurance market. Philosophically the use of an insurance solution is attractive, however despite attempts to use a re-insurance solution, none has been found in the past 18 months and there seems to be no appetite for insuring this type of risk in the insurance market at present.

3. Current Progress on implementing the Scheme

- 3.1. On 9 December 2008 the Department issued regulations under the Banking Deposit Compensation Scheme (Bailiwick of Guernsey) Ordinance 2008, setting out the funding arrangements for the Scheme. Those regulations were issued shortly after the commencement of the scheme in order to ensure that in the event of a banking crisis the scheme was fully operational. Those regulations only applied to a post-funded levy based on each participant's total deposits covered by the scheme. As a result the **DCS has been fully operational from 10 December 2008, although the funding mechanism has been solely post-funding** i.e. fees from banks have not yet been raised. The Department has drafted the necessary regulations to implement pre-funding however due to the ongoing consultation on this issue it was agreed with the DCS Board to delay the implementation of those regulations to provide time for this Report to be debated by the States.
- 3.2. The Department also appointed the board members of the DCS who were charged with establishing the administrative framework for the scheme. In addition the DCS Board were tasked with consulting with the banking sector on the appropriate mechanism for introducing the pre-funded element of the scheme. In addition the DCS board have:
- Implemented a system of quarterly returns for the banking sector,
 - Become members of the International Association of Deposit Insurers – the peak international body responsible for setting standards for Deposit Compensation Schemes,
 - Participated in the Lord Hunt's review of banking,
 - Assisted in the review of Guernsey's regulatory systems recently conducted by the International Monetary Fund, and
 - Conducted a consultation on alternative mechanisms for implementing pre-funding.
- 3.3. The DCS board has made substantial progress on completing the introduction of the pre-funding element of the scheme. However, the conclusions of the Lord Hunt Review and a number of developments in other jurisdictions, particularly

in Jersey, have resulted in the need for a reconsideration of the merits of the pre-funded element of the scheme.

4. The Hunt Report – Success and Stability

4.1. In 2009 the Department commissioned Lord Hunt of Wirral to conduct a strategic review of Guernsey's banking industry. Lord Hunt examined the economic contribution that the banking industry makes to Guernsey. At the time of his review there were 48 banks in Guernsey, a decline from the peak of 79 institutions in 1999. Since that time there has been further consolidation and rationalisation in the banking sector. It is likely that the number of banks in Guernsey will drop below 40 at some time in the not too distant future. That would result in the number of banks operating in Guernsey being halved in just over a decade. Much of that consolidation has resulted from market forces and reflects global consolidation over that time. Over that period the total number of deposits held by Guernsey Banks has increased dramatically. The result being that while there are less banks operating in Guernsey, they are doing more business. In addition the bulk of that new business has been business which is not subject to the depositor compensation scheme.

4.2. Lord Hunt also analysed the economic contribution of the banking sector to Guernsey. He concluded that the banking sector employed about 2750 people some 9% of the workforce. As a general rule each person employed in the finance sector supports 1.5 jobs in the wider economy. On that basis the banking sector directly and indirectly creates approximately 6800 jobs in the Guernsey Economy. The banking sector also provides substantial direct tax revenues contributing approximately 17% of all direct tax revenues.

4.3. Overall the banking sector contributes about £200 million to the Guernsey economy each year. Lord Hunt concluded:

“This disproportionate contribution makes the success of banking and closely related activities a key driver of Guernsey's prosperity.”

4.4. In his report Lord Hunt made a number of observations concerning the Deposit Compensation Scheme:

“Competition between international financial centres should not be based on regulatory considerations. However, the reality is that regulation is a burden on business and it is entirely rational for businesses to seek to control their costs. Any jurisdiction must therefore be mindful of the regulatory burden they impose. The issue for the GDCS seems to be whether it should continue to be pre-funded or not. The signals are conflicting. Pre-funding has been comparatively unusual but that is changing. For example, the UK FSCS is switching to pre-funding and the FDIC is considering to do so. But the main comparison is with Jersey and the Isle of Man.

I have no great preference for pre- or post-funding. Instinctively I am against pre-funding since the private sector ought to be able to put the money to better use. I also advocate elsewhere in this report the exploration of greater co-operation between the Crown Dependencies.

Nevertheless, I think this is a case of Guernsey needing to look over its shoulder at what the other competitor jurisdictions are doing. I would prefer this to be done under the banner of co-operation rather than competing on inappropriate issues. There is the risk, however, that where individual institutions have relatively costless options for where to place business, for example operations in both Jersey and Guernsey, significant divergence between scheme costs runs the risk of those costs being arbitrated. **If Guernsey's scheme is perceived to be relatively expensive it is likely to drive business away that believes the scheme has little value to them. This could be the very business I believe Guernsey should be attracting in order to diversify risk.**” (emphasis added)

4.5. He also concluded (at paragraph 3.6 of his report):

“An emerging problem with several depositor compensation schemes operating or potentially operating in the Crown Dependencies, is that there is a danger that some banks will limit their contingent liability to pay for these schemes by concentrating operations in one regime. This might result in fewer jobs in Guernsey.”

4.6. One of the key findings of Lord Hunt was the need to develop wholesale, corporate and private banking and move away from the deposit gathering and upstreaming model which has existed in the past.

4.7. Wholesale, corporate and private banking get little benefit from the existence of the DCS as their clients are either not covered by the scheme, or alternatively the protection of the scheme is not material in the context of private wealth management. Depositors who use the services of banks which provide private wealth management usually make deposits significantly greater than £50,000. Some private banks have minimum deposit levels of £500,000. To an individual with deposits of that magnitude the protection afforded by the DCS is not material and they will make their own assessment of the strength of the banking institution.

4.8. In those circumstances the pre-funded element of the DCS is simply a cost which has to be borne by wholesale, corporate and private banks with no corresponding benefit to their clients to whom the existence of a DCS is irrelevant. This makes Guernsey a less attractive jurisdiction for those particular banks which Lord Hunt identified as being the very types of operations which Guernsey should be seeking to attract.

- 4.9. Ultimately Lord Hunt recommended that the DCS must evolve to take into account developments in competitor jurisdictions.

5. Consolidation in the Banking Sector

- 5.1. There is already a move towards consolidation of banking operations globally. An examination of the number of banking licences in Guernsey demonstrates the overall downward trend in the number of banks operating in Guernsey. In 1999 there were 79 licensed banks in Guernsey. At 1 July 2010 there were 42 banking licenses issued by the GFSC, 2 of which are held by banks which are in the process of closing operations in Guernsey. Several banking groups hold multiple banking licences. For example HSBC, Barclays, BNP Paribas, EFG Bank, Credit Suisse, Rothschild's, and the Royal Bank of Scotland all hold more than one banking licence for branches or subsidiaries. Excluding banks which hold multiple licences there are presently 29 Banking Groups which have operations in Guernsey.

- 5.2. Since 2008 the following banks have discontinued operating in Guernsey:

- The Bank of Ireland, which has consolidated operations in the Isle of Man;
- The National Bank of Greece, which has closed down its Guernsey operations;
- Ansbacher (Channel Islands) Limited, which is presently closing its operations in Guernsey; and
- Bank of Scotland Plc, which has merged with Lloyds Bank.
- Northern Rock (Guernsey) Limited will be closing operations in Guernsey in the near future.

- 5.3. In addition Skipton Guernsey and Scarborough Guernsey have merged resulting on one fewer banking licence. Recent media coverage reveals that following the merger of the Yorkshire Building Society with the Chelsea Building Society the operations of Yorkshire Guernsey Limited are currently undergoing a review, although the outcome of that review is unlikely to be known for some time.

- 5.4. As far as can be ascertained none of these decisions has been taken directly or exclusively as a result of the costs of Guernsey's DCS. However consolidation and rationalisation in the global banking industry is likely to continue.

- 5.5. Changes in the United Kingdom are likely to put further pressure on Guernsey's banking sector. In particular the Financial Services Authority has recently introduced new rules on liquidity management for UK banks. Those changes

will have an impact on Guernsey banks that are subsidiaries of UK banks, although the extent of that impact is difficult to quantify at this stage. Nevertheless it is reasonable to assume that these changes will affect the economic viability of some banking operations in the Crown Dependencies. If Guernsey wishes to remain an international finance centre it must ensure that it remains a competitive jurisdiction for banking operations. Strong banking operations are vital to supporting all other parts of the finance sector.

6. International Developments

6.1. The most important development in the past 12 months is the introduction of a Deposit Protection Scheme in Jersey. The Jersey scheme is similar in many respects to that in Guernsey except that it is a wholly post-funded scheme. The key features of the Jersey Scheme, as stated on the States of Jersey web site are as follows:

- it provides protection of up to £50,000 per person, per Jersey banking group, for local and international depositors, in line with international standards
- an interim payment of up to £5,000 will be made within 7 working days and the balance of compensation within 3 months
- the £50,000 limit will apply per person, so a £100,000 deposit held in a joint account by 2 people would be completely covered
- the DCS will be operated by a independent board that will appointed by the States as soon as possible
- the maximum liability of the DCS will be capped at £100 million in any 5 year period, in line with the Guernsey scheme

6.2. The key difference is that the States of Jersey have decided that the scheme in Jersey **is wholly post-funded by the banking sector**. That creates a substantial cost difference between the scheme in Jersey and the scheme in Guernsey.

6.3. This also creates the opportunity for regulatory arbitrage between Jersey and Guernsey and puts Guernsey at a significant competitive disadvantage. Many banks in Guernsey already have operations in Jersey. That is not in Guernsey's long term economic interest, and over time through consolidation could result in Guernsey's banking sector shrinking at the cost of jobs and tax revenue.

6.4. In addition the European Commission has published a consultation paper on the possibility of raising the level of protection in the European Union to €100,000 (approximately £80,000). Guernsey is not part of the EU and Guernsey banks are not in direct competition with banks in the EU. The key competitor jurisdictions for Guernsey are the Isle of Man and Jersey both of whom cover

retail deposits up to £50,000. The Department will monitor developments in the EU but does not intend changing the level of protection in the immediate future.

7. Costs and Benefits of Maintaining Pre-Funding

7.1. There are a number of arguments in favour of pre-funded compensation schemes. Those arguments include:

- It adds credibility as the scheme is backed by a fund of assets,
- The ability to charge banks on the basis of a risk weighted premium addresses the issue of moral hazard by requiring banks which have more risky operations to pay higher premiums,
- It ensures that, in the event of a bank failure the failed bank has contributed towards the cost of compensation.

7.2. However the arguments against pre-funding include:

- It significantly increases the immediate costs of the scheme to the banking industry, which operate in that jurisdiction, it also requires ongoing management of the fund which would not be required for a purely post funded scheme, thus increasing the overall costs,
- Once the fund is raised it requires ongoing management which creates costs,
- There are difficult issues to resolve when a bank surrenders its licence or when a new bank joins the scheme.

7.3. In the case of Guernsey's banking industry there are also additional factors which must be considered in establishing a pre funded scheme:

- Banking in Guernsey primarily serves an international client base. The majority of banks do not have operations in Guernsey to service domestic Guernsey customers. Given the international nature of Guernsey's banking sector, many banks could provide the same services to their clients from any number of locations including the other Crown Dependencies. Given that international banks can locate their business in a number of jurisdictions, those institutions, all other things being equal, will choose to locate their operations in jurisdictions which have the lowest costs. Many banks in Guernsey have operations in Jersey, and for those banks the costs of funding the deposit compensation scheme is a material consideration in where they provide services. It would also be relatively easy to transfer operations, over time, to the lowest cost jurisdiction.

- The level of pre-funding in Guernsey is capped at £20million. That total level of pre-funding is not likely to be reached for at least 10 years. Therefore the level of pre-funding at present is not sufficient to add significant credibility to the scheme. Arguably even when the pre-funding level reaches £20million that does not significantly add to the credibility of the scheme, as that represents only 20% of the total potential compensation. Any major failure is likely to require a substantial amount to be raised through a post-funded levy in any event.
- The costs of a pre-funded scheme amount not only to the levies actually paid but include the return that the banks could have earned on those funds had they been retained by the firm (an opportunity cost). Effectively this means that pre-funded schemes reduce banking profitability and ultimately the tax revenues that are generated from those profits.

8. Costs and Benefits of moving to a Post-funded Scheme

8.1. The arguments in favour of a purely post-funded scheme are primarily on the basis of lower upfront costs and, particularly where banking failures are infrequent, include:

- Purely post-funded schemes are less costly to administer due to the fact that they do not require any routine administration of levies or ongoing fund management.
- Where banking failures are rare, such as in Guernsey, post-funding is appropriate as it reduces costs to the banking sector. This is particularly relevant at a time when regulatory fees and compliance costs are already increasing sharply.
- It minimises the opportunity for regulatory arbitrage where competitor jurisdictions have a post-funded scheme.
- It minimises the administrative and funding issues which arise when banks enter or leave the jurisdiction. Under a pre-funded scheme a new entrant gets the benefit of the contributions made by the other banks in the jurisdiction. In addition where a bank chooses to close down its operations in a jurisdiction then it does not recoup its contributions. This adds to the overall costs of operations and reduces the attractiveness of a jurisdiction for banking operations.

8.2. The arguments against post-funding include:

- The bank which fails has not contributed to the costs of compensation. Of course under Guernsey's scheme the DCS become a creditor of the failed bank and stands to recover a significant portion of the funds of the bank as it is wound up.

- The absence of a fund could reduce the credibility of the scheme as it relies solely on post-funded levies to fund compensation. However in the Guernsey context, the banking sector is well capitalised, and there is no reason to believe that the banking sector could not meet its obligations under the scheme, and therefore removing pre-funding should not impact on the credibility of the scheme.

8.3. The key benefit of moving to a purely-post-funded scheme is that it ensures that Guernsey remains internationally competitive as a banking centre. The need to remain internationally competitive should not be underestimated.

9. Comparisons of Costs between Jersey and Guernsey

9.1. One consideration is the extent to which banks in Jersey pay a sum to the States in lieu of paying GST. According to data provided by the Treasury and Resources Department Jersey banks pay approximately £1.6million per annum in international services entity fees in order to be exempt from Jersey Goods and Services Tax. However it is not appropriate to compare simply GST fees in Jersey and Insurance levy fees in Guernsey. Other factors need to be considered in comparing the overall cost of operations in Jersey and Guernsey. In addition different considerations apply for a tax such as GST and the proposed insurance levy in Guernsey.

9.2. A comparison of the approximate² headline regulatory cost to the banking sector (excluding tax on company profits) is as follows:

	Jersey	Guernsey
GST	£1,600,000	Nil
DCS insurance	Nil	£2,000,000
Jersey /Guernsey Finance funding	Nil ³	£400,000
Regulatory fees	£1,400,000	£2,000,000
TOTAL	£3,000,000	£4,200,000

9.3. In addition given that in Jersey GST is a tax and not a levy, that money forms part of the overall revenues of the States. Accordingly it is recycled into the

² Unfortunately it is impossible to provide a detail cost comparison in both Islands due to a lack of data available on comparative costs such as: Labour, Compliance, Income Tax, GST, Property Taxes, Commercial Office Space, travel etc. The Department has focussed on the issues which have been raised during consultation and that are easily measurable. Any detailed analysis of overall costs would need to be prepared in conjunction with Jersey and is likely to involve considerable expense.

³ Jersey finance acts as both a promotional body (like GF) and an industry representative body (like GIBA). However industry membership of JF is not compulsory and their voluntary membership fees are approximately £400,000 per annum, in Guernsey the industry pays annual membership fees to the Guernsey International Business Association which is a private organisation for which data is not publicly available.

economy through government expenditure and contributes to overall GDP. In contrast the DCS pre-funded levy from industry would not get recycled in Guernsey's economy through States expenditure on public services.

- 9.4. The insurance levy in Guernsey will be placed into a fund which will not necessarily be invested into the Guernsey economy. Overall the regulatory cost in Guernsey should the insurance levy remain in place is significantly higher than the costs in Jersey. This has the potential to place Guernsey at a significant competitive disadvantage.
- 9.5. It has been argued that due to the costs of GST in Jersey and VAT in the Isle of Man the cost of pre-funding the DCS in Guernsey would not materially alter Guernsey's competitive position as neither GST nor VAT is payable in Guernsey. Therefore there is no competitive difference for banks and no incentive for banks to migrate from one jurisdiction to another.
- 9.6. Under the Goods and Services Tax (Jersey) Law 2007, deposit taking business is exempt from GST (see section 48 and Schedule 5 of the GST (Jersey) Law, 2007). As a result banking business does not need to register as an International Services Entity and pay the relevant fee to obtain an exemption from GST for its deposit taking business. However most Jersey banks provide a variety of services and pay the annual ISE fee of £30,000 to be exempt from GST for those services.
- 9.7. Despite the fact that **Jersey banks pay £30,000 per annum** to remain exempt from GST for their non-deposit taking business that cost is significantly lower than the likely cost of pre-funding under the Guernsey DCS. With the total annual premium payable by the banking industry of £2 million the 39 current licensees **in Guernsey** would be required to pay **on average £51,282 per annum**. By adjusting premiums on the basis of capped value at risk⁴ some private and investment banks would pay a reduce levy fee of approximately £30,000 while the larger banks in Guernsey would pay between **£150,000 and £250,000**⁵ per annum.
- 9.8. Should banks with multiple licenses choose to consolidate their licenses to minimise their costs in Guernsey then the **average cost per bank rises to £68,965 per annum**. Each bank that chooses to discontinue operations in Guernsey results in the remaining banks paying an ever increasing amount to make up the total annual premium of £2million. On any commercial analysis, banks will consider the risk of an ever increasing premium, combined with the

⁴ Capped Value at Risk is the method by which the DCS Scheme adjusts the liability of each bank on the basis of risk. A bank which has £90 million of deposits under the scheme pays a greater sum than a bank which only has £30 million of deposits covered by the scheme. The level of risk is capped at £100 million due to the statutory limit on liability.

⁵ The DCS Board has calculated the premium of each bank on the basis of capped value at risk. However the precise figures are subject to statutory confidentiality and further details cannot be provided. Nevertheless the DCS Board has confirmed that these figures do accurately reflect the costs faced by those banks which have the largest retail deposit base.

necessary regulatory fee increases charged by the Guernsey Financial Services Commission and the decision of the States to implement the Guernsey Finance Funding Law, banking operations in Guernsey are increasingly expensive.

- 9.9. However, what is more likely to occur is that banks with operations in Jersey and Guernsey would direct new business and encourage existing business to the jurisdiction which would result in the lowest overall cost for that business entity. This would enable a bank with operations in both Islands to direct deposits to Jersey, this would result in **no increased cost** to the bank in Jersey as that bank is already paying is £30,000 ISE fee. The overall cost of operations for the banking group will fall. Overtime this could lead to a rationalisation of operations in a single jurisdiction which is likely to be Jersey. Currently 30% of banking groups in Guernsey have operations in Jersey.
- 9.10. Where a bank is considering establishing operations in one of the Crown Dependencies then the ongoing cost of the DCS in Guernsey is likely to be a significant factor in determining where those banks choose to be established. Given the cost comparison set out above where a bank met the regulatory requirements in both Jersey and Guernsey, that bank is likely to select Jersey given its lower overall cost.

10. Impact on Depositors and the States of Removing Pre-funding

- 10.1. Removing pre-funding will have no impact on the level of protection to depositors. The DCS is satisfied that given the number of banks presently operating in Guernsey and the strength of their balance sheets the Scheme will be able to raise sufficient funding through a post-funded levy on the banking sector.
- 10.2. Removing the pre-funding element will also remove the States guarantee of £20million. In paragraph 9.3 of the original States Report the recommendation was that the States of Guernsey would provide a guarantee of £20 million to the captive insurance company formed to administer the pre-funded element of the DCS. If the DCS were to be triggered before the fund reached £20 million then the States would meet the difference under its guarantee. Those funds would then be repaid by the DCS out of future insurance levies.
- 10.3. Removal of pre-funding does not require amendment to the Ordinance, but simply the cancellation of the existing insurance plans. Because this would be a material change in the Scheme as originally proposed to the States, it is nevertheless appropriate that this matter be brought before the States; the suggested amendments to the Ordinance are not related to pre-funding and do not themselves involve significant change.
- 10.4. However, the captive insurance company has incurred operating costs and would need to be wound up in an orderly fashion. The Department is proposing that the banking industry, through levies by the DCS, should meet those costs which amount to approximately £100,000; it is proposed to make a one-off insurance levy, justified by the fact that insurance cover has technically been in existence

since 31 December 2009. The Scheme would be wound up in such a way that there would be no costs to the States.

11. Maintaining Liquidity

11.1. The purpose of the pre-funding element is to provide liquidity to the scheme relatively quickly. Discussion with the Association of Guernsey Banks has suggested an alternative means of ensuring that liquidity is provided to the DCS quickly. Presently banks must meet their obligations under the scheme within three months of a declaration of default. The Department proposes amending the Ordinance so that in the event of a banking failure the scheme would operate as follows:

- In the event of a default the DCS Board would immediately calculate the liability of all banks to contribute,
- The first £30 million of that liability would be payable within 14 days of a default,
- The remaining £70 million would be payable under the current arrangements.

11.2. This would provide the DCS with an initial level of liquidity to enable it to begin making compensation payments to depositors as quickly as possible. It is unlikely that the current scheme would be in a position to provide funding more quickly than within 14 days, as the investments held by the captive insurance company will need to be realised in order to begin making payments.

11.3. Given the strength of Guernsey's banking sector, there would be no difficulty in any bank meeting their obligations under these proposals within the relevant time period specified.

11.4. A failure or refusal to meet its legal obligations would be grounds for the GFSC to cancel the bank's licence to operate in Guernsey and would be a serious breach of the Banking Supervision (Bailiwick of Guernsey) Law, 1994. If a bank had its licence cancelled that would have catastrophic effects on the bank's reputation and result in regulatory action elsewhere particularly in the bank's home jurisdiction. Given the consequences the Department believes that there is no prospect of a bank failing to meet its obligations under the scheme. In addition the DCS has the power to demand security from all participants in the scheme. This power ensures that any bank which decides to close operations following the scheme being triggered must provide security to ensure that it meets its obligations under the scheme.

12. International Acceptability

12.1. The DCS Board have advised that pre-funding, post-funding and hybrid funding are all acceptable under the international standards set by the International Association of Deposit Insurers (IADI), of which the Guernsey DCS is now a

member. The international standards require that deposit compensation schemes have access to all necessary means of funding sufficient to be able to meet possible claims. The Guernsey DCS, within the limit of the £100million cap, has all necessary powers to raise sufficient funds to meet any claim likely to arise.

- 12.2. Many other jurisdictions have post-funded schemes including, the United Kingdom, Switzerland, Jersey, and the Isle of Man. Removing pre-funding will not contravene any international standards that govern deposit insurance.

13. Consultation

- 13.1. The Deposit Compensation Scheme Board conducted a consultation process late in 2009 which sought the views of the banking industry, the Guernsey Financial Services Commission and other interested parties.

- 13.2. The Association of Guernsey Banks (“AGB”) unanimously supports the removal of pre-funding from the Deposit Compensation Scheme. The AGB concluded:

“AGB believes that its strongly held views [against pre-funding] have been reinforced by the introduction of the Jersey Scheme and the release of the Hunt Review. A simple post-funded scheme remains the best solution and it is probable that keeping any sort of Pre-Funding ... would tend to accelerated the downward trend in banking license holders, with Jersey being a likely beneficiary.”

- 13.3. The Guernsey Financial Services Commission replied in the following terms:

“The Commission remains neutral on the most appropriate mechanism for funding the scheme. However it has no objections to the Board’s proposals for a revision of the original insurance proposal.

That said, the Commission is conscious that account will have to be taken of the views of Guernsey bankers on whether pre-funding should be the preferred approach given reports that the new Jersey scheme will be based on a post-funded model” (underlining added)

- 13.4. Responses were also received from a number of individual institutions and all agreed that removing the pre-funding element would ensure that Guernsey’s banking sector would continue to compete with Jersey on a level playing field.

14. Other changes

- 14.1. The Department is also recommending a number of minor changes to the Ordinance the most significant one of which is the extension of protection to deposits made by charities. During the debate surrounding the introduction of the Scheme a number of members asked the Department to review the scheme following its introduction to consider whether or not charities should be covered by the scheme. The Board of the DCS has advised that the inclusion of charities

would not materially impact on the costs of the scheme, either in administration or in the event of a bank failure. The Board of the DCS supports the proposal that the scheme be extended to charities.

14.2. Other proposed changes to the Scheme include:

- Reviewing the confidentiality provisions to ensure that the Deposit Compensation Scheme Board can share information with the Commission (it is also suggested that the reverse should be facilitated),
- Clarifying the definitions of “trustees” and insert a definition of “profits”;
- Clarifying interest accrued on any unpaid portion of a bank’s liability regardless of the annual cap on each bank’s liability; and
- Other technical drafting points which have been identified by the Deposit Compensation Scheme Board.

15. Cost Implications

15.1. The implementation of these changes will not result in any additional cost to the States. All costs of implementing these changes will be borne by the banking industry.

16. Recommendations

The Commerce and Employment Department recommends the States

- (1) To approve the recommendations to remove the pre-funding element from the DCS scheme and implement a wholly post-funded scheme,
- (2) To approve the amendments to the Ordinance as set out in section 11 and 14 of this Report, and
- (3) To direct the preparation of necessary legislation to give effect to the foregoing.

Yours faithfully

C S McNulty Bauer
Minister

(NB By a majority, the Policy Council supports the proposals.)

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

The States are asked to decide:-

XII.- Whether, after consideration of the Report dated 31st August, 2010, of the Commerce and Employment Department, they are of the opinion:-

1. To approve the recommendations to remove the pre-funding element from the Deposit Compensation Scheme and implement a wholly post-funded scheme.
2. To approve the amendments to the Banking Deposit Compensation Scheme (Bailiwick of Guernsey) Ordinance 2008 as set out in section 11 and 14 of that Report.
3. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

HOME DEPARTMENT

THE FUTURE OF LAW ENFORCEMENT – ESTABLISHMENT OF A LAW ENFORCEMENT COMMISSION

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

7th September 2010

Dear Sir

1. Executive Summary

- 1.1 This Report seeks authority from the States of Deliberation for the drafting of legislation to establish a Law Enforcement Commission to have independent responsibility for the operational oversight of the Police and the Customs and Immigration Service (now the Shadow Guernsey Border Agency).
- 1.2 The necessary primary legislation would establish the Law Enforcement Commission as an independent body under a statutory duty to secure the maintenance of efficient and effective law enforcement by Guernsey's law enforcement agencies in the Bailiwick. In the discharge of its functions it would, amongst other things, be obliged to have regard to strategic objectives and priorities for law enforcement set by the Department and guide law enforcement activities in accordance with those objectives and priorities. This will ensure that there is clear and transparent separation between political processes and operational matters, so that law enforcement can be seen to be under overall political direction, whilst being operationally free from political influence and interference.
- 1.3 The establishment of a Law Enforcement Commission is not intended to absolve the States of their responsibility, acting through the Home Department, to set policy and give strategic direction to the law enforcement agencies. The Home Department would continue to be accountable to the States for the setting of strategic objectives and priorities and for their review when appropriate.

2. Background

- 2.1 This Report is submitted further to the States Resolution XII. 3 of 24th

September 2008¹, which followed a Report concerning the future of law enforcement from the Home Department, dated 31st July 2008 (“the 2008 Report”). The 2008 Report was based upon work that had been undertaken by a Departmental sub-group, the Law Enforcement Steering Group, and it recommended the establishment of a statutory Law Enforcement Commission (“the Commission”) and a Cross Border Crime Agency (“the Agency”), together with legislation to update existing police and customs legislation. The States accepted the recommendations and directed the Home Department to submit a Report to the States, at the earliest opportunity, on the necessary legislation.

- 2.2 Since September 2008, a great deal of further work has been done by the Law Enforcement Steering Group to address the various policy and legislative issues that will arise in implementing the recommendations. A number of difficult questions have had to be addressed. As a result of the progress that has been made, it is now possible to set out and explain the necessary legislation as requested by the States.
- 2.3 Since 2008, the Home Department has directed that the proposed Cross Border Crime Agency should be titled as the Guernsey Border Agency, as it was felt that this more appropriately reflected the role of the Agency whose remit, through the issuance of passports and Immigration control, extends further than crime.
- 2.4 Three new Laws are envisaged, the first to establish the Commission, the second to establish the Agency and the third to repeal, replace and modernise existing legislation relation to Guernsey Police force. This Report recommends the drafting of a Law to establish the Commission and a subsequent Report (or Reports) in 2011 will seek authority for the preparation of the further two Laws referred to earlier in this paragraph. The Department believes that this is the most logical method of bringing about the fundamental changes that the Department believes are necessary as described in the 2008 Report.
- 2.5 The 2008 Report also noted that the Department will submit a Report to the States on the future status of officials and staff of the Police and Customs and Immigration Service. Work is progressing well on the necessary changes to staff terms and conditions in conjunction with the key stakeholders, and a Report will be submitted in due course.

3. The Law Enforcement Commission Law

- 3.1 The proposed Law will establish the Commission and provide for its functions, powers and duties. A revised version of Appendix B of the 2008 Report “Home Department – Hierarchy of Responsibility and Accountability” is attached to this Report and provides a summary and broad overview of the roles of the States of Deliberation, the Home Department, Law Enforcement Commission and the

¹ Billet d’Etat XII 2008

Law Enforcement Organisations Statutory Heads of Service. The Law (and any Ordinances or Regulations made under the Law) will enshrine these respective roles and create a structure which will maximise the use of resources, in order to best deliver the law enforcement services the community expects.

- 3.2 The Department will set policy and strategic objectives for law enforcement and the Commission will be responsible for ensuring that those objectives are met. It is envisaged that the Commission will discharge this responsibility in a number of ways, namely by holding to account the Chief Officers of the Police Force and the Agency for the exercise of their functions, allocating resources and demonstrating value for money. This is thought essential in providing an assurance that the funding available is used efficiently in the provision of core front line policing and law enforcement activities and is not inhibited for general running costs.
- 3.3 Looking first at the accountability of the Chief Officers, they will be required to report to the Commission regularly on matters of law enforcement generally and how the delivery of law enforcement conforms to the strategic objectives and priorities and guidance and directions determined by the Department. The Commission will also have the ability to ask the Chief Officers any specific questions that the Commission may have. This crucially important but difficult and potentially sensitive task (currently discharged by members of the Home Department Board) will in future be discharged by people with particular experience and expertise in this area. This experience and expertise will also be of great benefit in ensuring the efficient use of resources.
- 3.4 As to the allocation of resources, it is proposed that one of the Commission's functions will be to allocate, and advise in connection with the allocation of, monies and other resources, approved by the States for the purposes of law enforcement, to the Police Force and the Agency. When making this allocation the Commission will take into account representations from the two Chief Officers, together with any guidance issued by the Department and any representations made by the Chief Officer of the Department.
- 3.5 In relation to immigration and nationality matters, nothing in the creation of the Law Enforcement Commission is intended to interfere with the statutory responsibilities of His Excellency the Lieutenant Governor.
- 3.6 Through these changes, a number of objectives necessary to modernise Guernsey's law enforcement regime will be met. Perhaps most importantly, the changes should remove any possible external perception that there is even potential for risk of political interference in the operational aspects of law enforcement. Whilst there is no history of interference of this type within the Bailiwick, the independence of the law enforcement agencies and the removal of even the theoretical possibility of political control or influence should, in the opinion of the Department, be demonstrated beyond doubt, in the interests of both maintaining public confidence and continuing compliance with international standards.

- 3.7 In many other jurisdictions, police activities are overseen by a Police Authority model² and some other island jurisdictions are developing models which include independent oversight of law enforcement. The recommendations in this Report are intended to ensure adoption of the best aspects of the Police Authority model whilst introducing a structure that ensures the most effective use of Guernsey's Law Enforcement resources for the Bailiwick of Guernsey.
- 3.8 It is equally important that those involved in law enforcement are ultimately answerable to the democratically elected representatives of the people. This will be achieved by requiring the Commission to report annually to the Department, with the Department then in turn having to report to the States. This accountability will ensure local priorities are being addressed in maintaining a safe community, reducing crime and dealing with anti-social behaviour.
- 3.9 Members of the Commission will be appointed by the States on the recommendation of the Department. This differs from the 2008 Report where it was indicated that the recommendation would come from Policy Council. Commission Members will be security vetted and swear an Oath of Office before the Royal Court.
- 3.10 As highlighted in the 2008 Report, the Law Enforcement Steering Group has undertaken the role of Shadow Law Enforcement Commission. This will continue until such time as Commissioners are appointed and the proposed legislation is brought into force.

4. Consequential Amendments to existing Police and Customs and Immigration Legislation

- 4.1 Some consequential amendments to other legislation may be necessary to ensure that the Commission, the Police Force and the Agency can function effectively together within the Bailiwick's existing law enforcement framework.

5. Resources

- 5.1 The introduction of the Law Enforcement Commission will be funded from the Department's existing revenue budget allocation. The Commission will not require additional staffing resources and will use Home Department's Central Services as an administrative executive through a service level agreement.

6. Consultation

- 6.1 Her Majesty's Procureur supports the proposals described in this States Report.
- 6.2 The Chief Officers of the Police and the Shadow Guernsey Border Agency have continued to be fully involved in discussions on the future of Law Enforcement and they have given their support to this Report.

² UK Police Authorities are responsible for the efficiency and effectiveness of the Police Force in their area and for consulting with the public on policing matters.

- 6.3 The establishment of a Law Enforcement Commission will have limited bearing on the operational delivery of law enforcement services in Alderney and Sark. The Department will discuss the implications of any changes with the Islands' Authorities in due course.

7. Recommendations

- 7.1 The Department recommends the States to direct the Law Officers to prepare the necessary legislation to establish the Law Enforcement Commission and its functions and to make any necessary consequential amendments to existing legislation as outlined in this Report and in the Report of the Home Department, dated 31st July 2008, concerning the future of law enforcement.

Yours faithfully

G H Mahy
Minister

APPENDIX

HOME DEPARTMENT – HIERARCHY OF RESPONSIBILITY AND ACCOUNTABILITY

The Home Department proposes the following hierarchal model of responsibility and accountability to achieve the changes recommended in this Report and to take law enforcement in the Islands forward to meet the challenges and demands of this century.

The States of Deliberation

The States of Guernsey would:

- approve the Statement of Strategic Direction
- appoint the Chairman and Members of the Law Enforcement Commission,
- approve any relevant Law, Ordinance or Regulation

The Home Department

The Department would:

- have political responsibility for the provision of law enforcement in the Islands.
- be the political interface between the States and the operational side of law enforcement.
- set the overall strategic direction and policy for law enforcement which it would direct the Law Enforcement Commission to implement.
- set clear performance targets for the delivery of each part of the overall strategy and make directions relating to the efficient and effective use of resources (for which the Commission would be accountable).
- submit revenue and capital budget proposals for law enforcement to the States and be responsible for the allocation of revenue and capital expenditure to the Commission.
- submit an annual report on law enforcement to the States that would include a report from the Law Enforcement Commission covering issues such as any requirements to provide effective and efficient law enforcement and cross border control capabilities.
- present any proposals relating to criminal justice legislation that may be recommended by the Commission to the States.

The Law Enforcement Commission

The Law Enforcement Commission would:

- be accountable to the Home Department for:
 - the implementation of strategic policies on law enforcement,
 - the effective and efficient delivery of law enforcement in the Islands, in accordance with strategic objectives and priorities for the best use of resources; and
 - meeting any strategic priorities determined performance targets set by the Department.
- allocate resources to the individual law enforcement organisations in a way that ensures maximum flexibility, provides for long term development and avoids any duplication of effort.
- allocate responsibilities and lead status (and accountability) to the law enforcement organisations for statutory law enforcement.
- ensure that law enforcement organisations work in close partnership and together deliver a high quality service
- establish clear performance framework for law enforcement organisations (measured against the strategic directions of the Home Department), review results and submit appropriate reports to the Department.
- submit requests for revenue and capital funding for the provision of law enforcement to the Department.
- submit an annual report to the Department on the provision of law enforcement in the Islands.
- make recommendations to the Department (after consultation with interested parties) on any changes to criminal justice legislation that it considers are necessary in the light of operational experience of the delivery of law enforcement in the Islands.
- engage with key stakeholders and the public, to ensure that the services provided meet the needs and expectations of customers and the demands of the future.

The Law Enforcement Organisations – Statutory Heads of Service

The heads of service would:

- report to the Law Enforcement Commission on the delivery of law enforcement services in the Islands.

- ensure that the delivery of law enforcement is in accordance with the strategic objectives set by the Home Department.
- be responsible for the delivery of law enforcement in accordance with insular legislation.
- manage and oversee the functions of the law enforcement organisations in an efficient and cost effective manner.
- be responsible for the effective management and use of resources (within any budgetary constraints) and for meeting any performance targets set by the Commission.
- ensure that the law enforcement organisations work in a close partnership and in consultation with key stakeholders and the public.
- prepare a planning framework for the ongoing development law enforcement organisations.
- provide information and professional advice to the Commission, including proposals on the development of strategy and policy and for any changes to criminal justice legislation.
- inform the Commission of any risks and issues which might have a bearing on law enforcement strategies or reputation of the Islands.
- cooperate with external agencies in combating international crime.
- submit annual reports to the Commission on the practical aspects and operational experience of law enforcement in the Islands.

Specific functions and responsibilities of the Heads of Service will be detailed in new Police and Guernsey Border Agency Laws being developed.

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

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

The States are asked to decide:-

XIII.- Whether, after consideration of the Report dated 7th September, 2010, of the Home Department, they are of the opinion:-

To direct the preparation of such legislation as may be necessary to establish the Law Enforcement Commission and its functions and to make any necessary consequential amendments to existing legislation as outlined in that Report and in the Report of the Home Department, dated 31st July 2008, concerning the future of law enforcement.

HEALTH AND SOCIAL SERVICES DEPARTMENT

THE CHILDREN (GUERNSEY AND ALDERNEY) LAW, 2008 CHILDREN AND YOUNG PEOPLE'S PLAN 2011 - 2013

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

8th September 2010

Dear Sir

1. EXECUTIVE SUMMARY

Following the approval by the States and the States of Alderney in 2008 of the Children (Guernsey and Alderney) Law, 2008 (referred to here as 'the Children Law') and the subsequent implementation of the law on 4 January 2010, much work has been undertaken in order to enable the Children Law to be commenced and its provisions implemented as soon as reasonably practicable.

One key area has been the drafting of the Children and Young People's Plan for 2011 – 2013 which is the plan setting out a strategy for the provision of services to promote and safeguard the welfare of the children of Guernsey and Alderney.

2. BACKGROUND

The new Children Law was approved at the States meeting on 30 January 2008 and by the States of Alderney at their meeting on 19 March 2008. This was the culmination of a process of research, drafting and widespread consultation that had taken more than six years. Proposals for the Law were set out in Billet d'État XVII of 2004 and approved by the States by Resolution on 28th October 2004. As well as the 147 pages in that Billet, much of the detail of the Department's proposals was set out in a series of public consultation documents published in 2003 and specifically referred to in the Billet where relevant. The law was subsequently implemented on 4 January 2010.

Section 28 of the law states that within one year of it coming into force and at least once in every three years thereafter the Department shall prepare, and submit to the States, a plan setting out a strategy for the provision of services to promote and safeguard the welfare of the children of Guernsey and Alderney. Each Department of the States is under an obligation to assist in the preparation and implementation of the plan. The purpose of the plan is to identify, assess and provide services which may be reasonably necessary for children in need and children at risk.

The plan has been called the Children and Young People's Plan and work on this Plan has been led by a Children and Young People's Planning Group consisting of senior staff from a number of States Departments and representation from the health services.

The purpose of this report is to seek States approval for the Children and Young People's Plan 2011-2013 which is attached.

3. THE CHILDREN AND YOUNG PEOPLE'S PLAN 2011-2013

3.1 Aims

The aims of the Children and Young People's Plan are:

- to clarify interagency goals and objectives;
- to develop services within an agreed strategic framework;
- to ensure planning is driven by the assessed needs of children in the local population;
- to improve the quality of service through explicitness about standards;
- to secure customised packages of care to meet children's needs;
- to ensure services are cost-effective and efficiently run.

These aims will be achieved by:

- identifying the children and young people who may be children in need;
- setting out how agencies work together to meet the needs of these children and young people;
- identifying the gaps in information and service provision which need to be addressed;
- proposing actions and time scales for service improvements.

3.2 Outcomes

This Children and Young People's Plan is based on a set of 5 outcomes for all Guernsey and Alderney children. They have been adapted from similar plans that have been established throughout the United Kingdom after wide consultation with children and young people. The 5 outcomes are:

- **Healthy and Nurtured** - We want children and young people to enjoy the highest achievable standards of physical and emotional health, with access to

suitable healthcare and support for safe and healthy lifestyle choices.

- **Safe** - We want children and young people to be protected from abuse, neglect and harm and given strategies to protect themselves and stay safe.
- **Achieving and Active** - We want children and young people to have access to positive learning, play and leisure environments to develop their skills, confidence and self esteem to the fullest potential.
- **Respected and Responsible** - We want children and young people to be involved in the decisions that affect them and encourage them to play an active and responsible role in the community.
- **Included** - We want children and young people to have access to high quality services. We want to enable them to overcome the social, physical, geographic, environmental and economic barriers that create inequality.

3.3 The Structure of the Plan

The Children and Young People's Plan is in two parts, Part 1 sets out 14 priorities that States Departments and voluntary sector bodies will work on between now and the end of 2013.

Part 2 sets out the Operational Plan which includes detailed actions to achieve the priorities outlined in part 1 of the plan, and measures of how progress is being made.

3.4 Funding

The emphasis on the Children and Young People's Plan is inter-agency collaboration to ensure that the children of Guernsey and Alderney have the best and most 'joined up' provision available. Key priorities have been identified in the Children and Young People's Plan 2011-2013. Of these priorities, a number have been earmarked as requiring additional funding.

The States Strategic Plan 2009-2013 was approved by the States at their October 2009 meeting (Billet d'État XXVI). Section 7.15 of the plan provides a list of essential service developments being recommended to the States by the Policy Council. The Children and Young People's Plan has been classed as an essential matter to be funded in 2010. This has now been approved and the money has been allocated.

A further £500,000 has been requested through the 2010 States Strategic Plan to meet the needs of 16 & 17 year olds as well as those under 16. This is as a result of the increase in the age at which a young person is classed as a child under the Children (Guernsey and Alderney) Law, 2008.

Details of the funding required for the Children and Young People's Plan are outlined in the table below:

5 year costs for the Children and Young People's Plan

Service	2010	2011	2012	2013	2014	Total
Supervised Contact	£46,517	£46,517	£46,517	£46,517	£46,517	£232,585
Post Abuse/ Therapeutic Post Graded at top point EG 4	£23,950	£47,900	£47,900	£47,900	£47,900	£215,550
E Safety (One off funding)	£2,000					£2,000
To be allocated to other priorities as required in C & YP Plan/contingency		£2,000	£2,000	£2,000	£2,000	£8,000
Extending Play- scheme/Holiday Scheme	£9,000	£9,000	£9,000	£9,000	£9,000	£45,000
Reference Group	£2,000	£2,000	£2,000	£2,000	£2,000	£10,000
Parenting Programme	£2,000	£2,000	£2,000	£2,000	£2,000	£10,000
Parent Survey (One off funding)	£7,500					£7,500
Health & Equalities	£5,000					£5,000
Provide Accommodation for young people up to 18 years of age		*£502,000	*£502,000	*£502,000	*£502,000	*£2,008,000
Total ongoing costs	£97,967	£611,417	£611,417	£611,417	£611,417	£2,543,635

*Billet D'Etat XIX2010 (Policy Council – States Strategic Plan 2010-2015)

4. RECOMMENDATION

The Health and Social Services Department recommends the States approve the Children and Young People's Plan for Guernsey and Alderney 2011-2013 as set out in this Report.

Yours faithfully

A H Adam
Minister

Guernsey and Alderney

The Children &
Young People's Plan
2011 to 2013

Foreword

We are committed to giving every child and young person in Guernsey and Alderney the best possible start in life. Helping our children to realise their potential is the key to giving them a sense of self-fulfilment and equipping them well for their future.

The new Children (Guernsey & Alderney) Law 2008 sets out a legal requirement to produce a Children and Young People's Plan. Each department of the States is under an obligation to prepare and implement the plan. The purpose of the Plan is to identify, assess and provide services, which may be reasonably necessary for children in need and children at risk.

All of the services that support children, families and young people, play a vital part in unlocking the potential of the next generation. This new Children and Young People's Plan outlines what our plans are for the next 3 years.

We are determined that the resources of all our services will be managed efficiently and effectively to meet the challenges ahead. Wherever possible, new resources will be identified to address gaps in service provision and existing resources will be redesigned to serve a changing landscape of population and priorities more effectively.

This new 3-year plan builds on success. It builds on a model of increasingly collaborative services. The aim is that front-line service delivery will become better integrated, which will result in improved services for our more vulnerable children and families.

The Children and Young People's Planning Group and the Island's Child Protection Committee and all those bodies who work with young people, will use this plan to monitor and review progress.

A H Adam, Minister, Health & Social Services Department

Contents

	Page
Introduction	5
Why Plan?	5
The Planning Process	6
What's in this Plan	7
Key Outcomes	8
Where does it fit in	9
The Planning & Operational Structure	10
The Priorities under key outcomes	11
Actions under Priorities 1-14	16
• Healthy & Nurtured	16
• Safe	18
• Achieving & Active	20
• Respected & Responsible	21
• Included	23
What Happens Next?	24
Working towards the future	24
Glossary	25
Children & Young People's Planning Group Membership	30
Children & Young People's Operational Plan	31
Abbreviations	32

Introduction

The children and young people of Guernsey and Alderney form a major part of our community now, and they represent the whole of our future. While their experience of life varies greatly, our hopes are the same for all of them. We want them to be healthy and nurtured, to be safe, to achieve and be active, be respected and responsible and to be included. This will hopefully enable them to achieve their potential.

This is the first time in Guernsey and Alderney that agencies have worked together to produce a Plan about things they will do for children and families. Many of the priorities in this Plan are about laying the foundations, so that we can continue to work together in an effective and efficient manner.

Parents play the key role in ensuring that their children achieve their full potential. By working in partnership with families, agencies will support parents in bringing up their children as successfully as possible.

For the purpose of this Plan, any reference to children and young people means the children and young people of Guernsey and Alderney.

Why Plan?

The Children (Guernsey & Alderney) Law 2008 created a new duty to publish a multi-agency plan for services for children. The Health and Social Services Department has a duty to ensure the plan is presented and published, other States Departments and bodies help to prepare the plan and make it work.

Section 28 of the Children (Guernsey & Alderney) Law 2008 states that within one year of it coming into force and at least once in every three years thereafter, the Department shall prepare and submit to the States, a plan setting out a strategy for the provision of services to promote and safeguard the welfare of the children of Guernsey and Alderney.

It is important to note that this is a developmental plan with a focus on things we need to do better and builds upon current good practice in partnership work. There are, therefore, many aspects of the work of all partners, which do not feature, because they are already delivering good outcomes.

Many different agencies, professionals and volunteers play different roles in the lives of children, young people and families. Some children and families, for instance those with complex disabilities or with many different needs, are supported by many agencies. These agencies will work together most effectively, if they plan their services together.

The Children and Young People's Plan is the key document for all partners delivering services to children, young people and their families in Guernsey and Alderney. It sets out:

- the vision that we have for our children and young people
- the key priorities and actions we commit to undertaking in partnership
- the improved outcomes we want to achieve for children and young people

The Planning Process

Work on this Plan has been led by a Children and Young People's Planning Group, consisting of senior staff from a number of States Departments. There is a full list of the membership of the Children and Young People Planning Group on page 30.

Over two hundred children and young people in Guernsey and Alderney shared their views about what was good and bad about living in the Island's.¹ Staff from professional and voluntary sector organisations working with children and young people also took part in a series of consultation meetings. The Guernsey States members attended a similar meeting in 2003.

Finally, the findings of the Guernsey Young People's Survey 2007 were invaluable. The survey gathered together the views, attitudes and behaviour of young people, which has helped inform the overall plan.

¹ 'Having a Say' consultation with children and families – Review of Children Law in the Bailiwick of Guernsey 2002

What's in this Plan?

This Plan is based on a set of **5 outcomes** for all Guernsey and Alderney children. They have been adapted from similar plans that have been established throughout the United Kingdom after wide consultation with children and young people. The Outcomes are shown on the next page.

The Plan sets out **14 priorities** that States Departments and voluntary sector bodies will work on between now and the end of 2013, to make Guernsey and Alderney better places for children and young people. The needs of every Guernsey and Alderney child have been considered in drawing up this Plan. However, some children will need more help than others to achieve these outcomes. The priorities in this Plan are therefore, mostly targeted on children in need and children at risk. The priorities are shown on pages 11-15.

The Children and Young People's Planning Group has also prepared an **Operational Plan** (pages 31-54) which includes detailed actions to achieve these priorities and measures of how much progress is being made. They will be responsible for driving forward these actions. They will also have the help of the Young People's Reference Group, to ensure that their views continue to impact on how the Plan is put into action.

Key Outcomes

The Vision

All children and young people of Guernsey and Alderney have the best possible start in life

HEALTHY AND NURTURED

We want children and young people to enjoy the highest achievable standards of physical and emotional health, with access to suitable healthcare and support for safe and healthy lifestyle choices

SAFE

We want children and young people to be protected from abuse, neglect and harm and given strategies to protect themselves and stay safe

ACHIEVING AND ACTIVE

We want children and young people to have access to positive learning, play and leisure environments to develop their skills, confidence and self esteem to the fullest potential

RESPECTED AND RESPONSIBLE

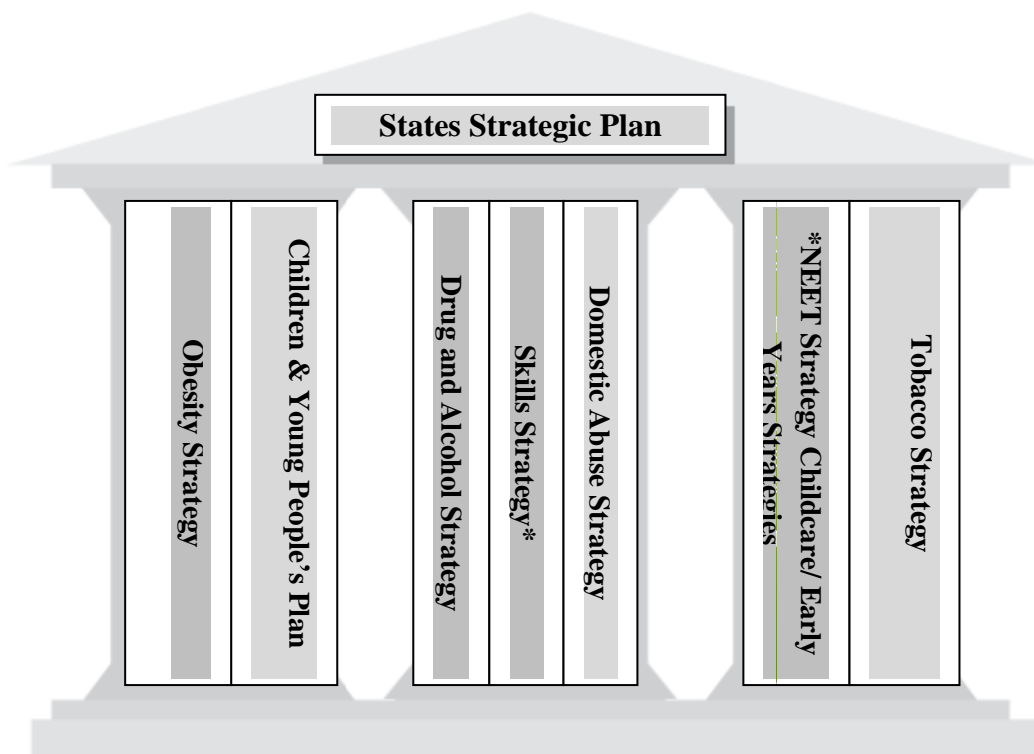
We want children and young people to be involved in the decisions that affect them and encourage them to play an active and responsible role in the community

INCLUDED

We want children and young people to have access to high quality services. We want to enable them to overcome the social, physical, geographic, environmental and economic barriers that create inequality

Where does it fit in?

This Plan links up with other plans that are already in place or are in the process of being drafted. All of the plans highlighted in the diagram below address social issues pertinent to children and young people. The diagram shows how States Departments and other bodies are working together to achieve the objectives set out in the States Strategic Plan. Even where actions are covered in other strategies, the point of this Plan is to keep the focus on children and young people wherever that is needed.



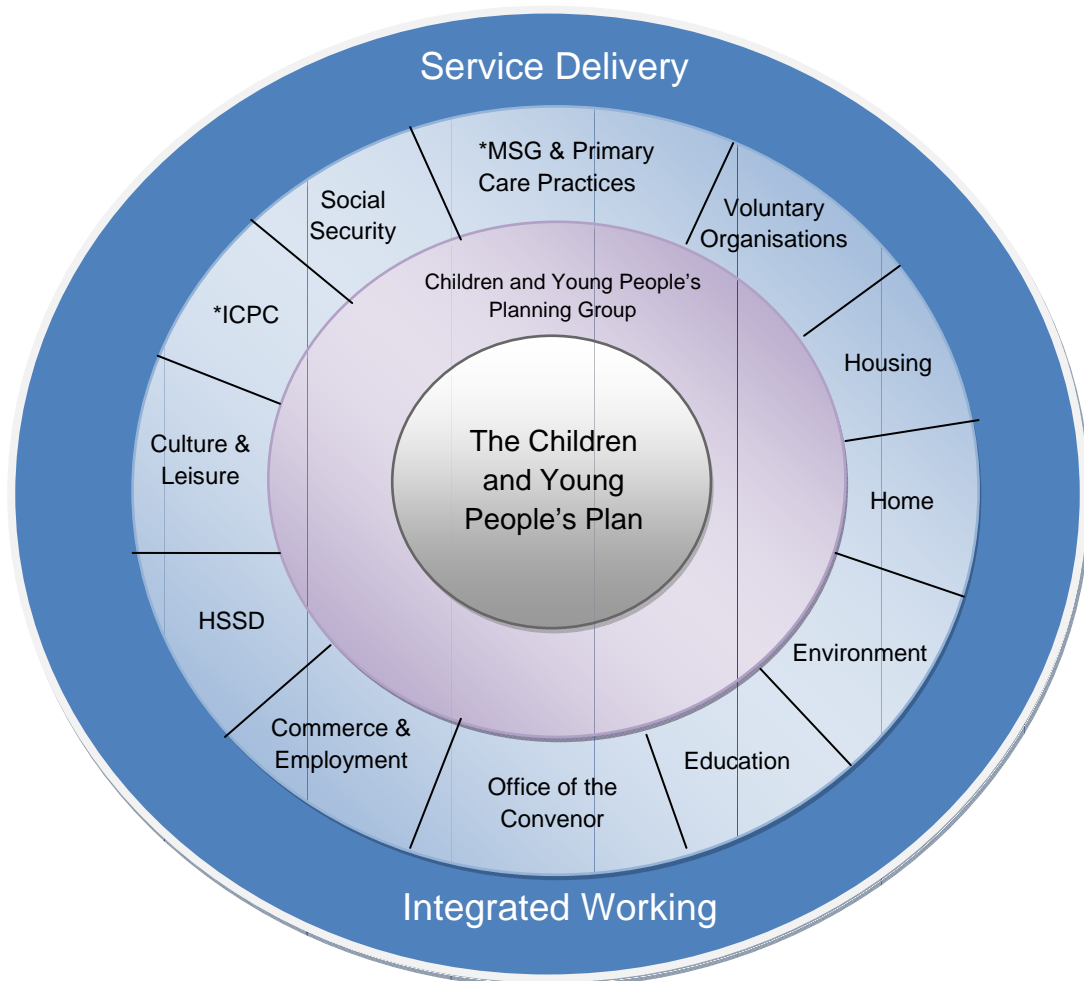
* NEET – In the Social Plan for 2010 and is in the process of being drafted

*Skills Strategy – to be developed in 2011 by Commerce and Employment/Education/Social Security Department

The Planning and Operational Structure

The Strategic Framework to achieve these key outcomes involves a joined up, multi-agency structure at all levels.

Working together for the children and young People of Guernsey & Alderney



*ICPC – Islands Child Protection Committee
*MSG – Medical Specialist Group

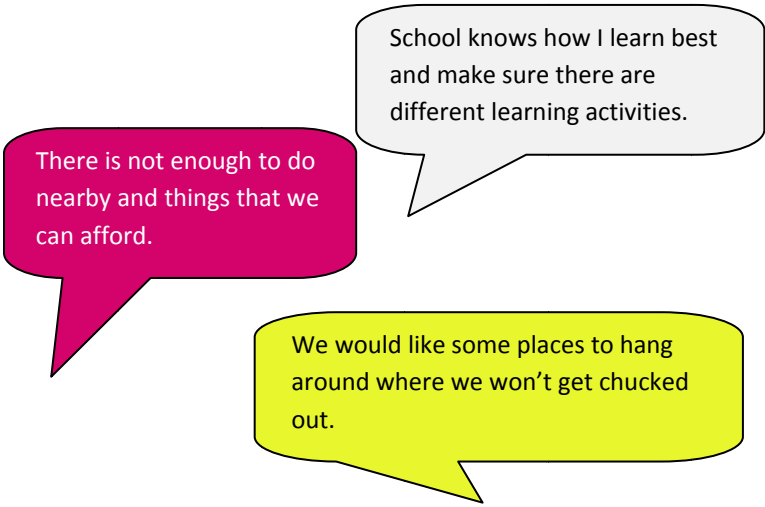
The Children and Young People Planning Group

The Children and Young People Planning Group includes a large number of planning partners in its membership (see page 30 for committee membership) and has a responsibility to plan for the provision of services to promote and safeguard the welfare of the children of Guernsey and Alderney.

The priorities under key outcomes are:

HEALTHY AND NURTURED We want children and young people to enjoy the highest achievable standards of physical and emotional health, with access to suitable healthcare and support for safe and healthy lifestyle choices	
Priorities for 2011 - 2013	<ol style="list-style-type: none"> 1. The physical health of all children will improve. 2. Children's mental health and emotional needs will improve. 3. Children will have a safe place to live within a supportive environment. 4. Children will enjoy a positive and rewarding childhood.
Where are we now?	<ul style="list-style-type: none"> • Compared to children living in other areas that are socially similar, Guernsey children are less likely to be overweight and are more likely to eat healthily most days and to exercise more regularly. However, there is always room for improvement. • A significant minority of island children live unhealthy lives and are vulnerable to risk taking behaviour and low self esteem. • Well established strategies are now in place to address issues such as drugs and alcohol. These will maintain a focus on the needs of young people.²
Children and young people's views	<div> <div>Alcohol is a big problem amongst my age group (14).</div> <div>I Like it best when I am able to explain to the Doctors and they listen to me.</div> <div>There are not a lot of activities for young people and there is certainly nothing for mountain biking and skateboarding.</div> </div>

² Drug & Alcohol Strategy 2009-2014

SAFE We want children and young people to be protected from abuse, neglect and harm and given strategies to protect themselves and stay safe	
Priorities for 2011 - 2013	<p>5. Children will be protected from abuse, neglect and harm.</p> <p>6. Children will be given strategies to protect themselves and stay safe.</p> <p>7. Children will get the help they need when they need it.</p>
Where are we now?	<ul style="list-style-type: none"> • The Children Law creates a completely new legal framework. The Law can only be implemented properly, if agencies continue to work together as effectively as they have done before. • Children, young people and families have told us that they want to be part of the team, when agencies are working with them.³
Children and young people's views	 <p>There is not enough to do nearby and things that we can afford.</p> <p>School knows how I learn best and make sure there are different learning activities.</p> <p>We would like some places to hang around where we won't get chucked out.</p>

³ 'Having a Say' consultation with children and families – Review of Children Law in the Bailiwick of Guernsey 2002

ACHIEVING AND ACTIVE We want children and young people to have access to positive learning, play and leisure environments to develop their skills, confidence and self esteem to the fullest potential	
Priorities for 2011 – 2013	8. Children will become effective contributors and confident individuals. 9. Children will become successful learners.
Where are we now?	<ul style="list-style-type: none"> • School examination results in Guernsey compare very well to those in England and Wales. • Pre-school education is currently available, but there is little information about whether this meets the needs of vulnerable children. • The Education Department has established a curriculum that is designed to help students become, confident individuals; successful learners; responsible citizens and effective contributors.⁴
Children and young people's views	<div> <div> <p>The majority of adults don't know what worries children have.</p> </div> <div> <p>I was in Le Carrefour for 2 years. I found support very helpful.</p> </div> <div> <p>The Beaucamps satellite unit for autistic teenagers is an example of integration working well. We would like some more mainstream support for special needs children (parental comment).</p> </div> </div>

⁴ The Bailiwick of Guernsey Curriculum Statement – Education Department

RESPECTED AND RESPONSIBLE We want children and young people to be involved in the decisions that affect them and encourage them to play an active and responsible role in the community	
Priorities for 2011 - 2013	<p>10. Children's views will be considered in decisions about themselves and Guernsey.</p> <p>11. The behaviour of children at risk of, or displaying offending behaviour, will be addressed and their needs will be met.</p> <p>12. Children will become responsible citizens.</p> <p>13. Children will learn to build healthy, respectful relationships.</p>
Where are we now?	<ul style="list-style-type: none"> • The voting age in Guernsey has reduced to 16 years. • Young people have constructive views to offer, but some do not have the means to do so. • The Child, Youth and Community Tribunal has been set up to deal with the behaviour and the needs of young people who offend, or who are at risk in other ways. • Every three years the views of young people are gathered together through the Young People's Survey which records the views, attitudes and behaviour of 2000+ young people in Guernsey.
Children and young people's views	<div> <div> <p>The School Council at school has worked, for example, we now have a water fountain which is much better.</p> </div> <div> <p>Adults give us what they think we want, not what we want.</p> </div> <div> <p>I've worked with Youth Justice for about 2 years and they have really helped me.</p> </div> </div>

INCLUDED We want children and young people to have access to high quality services. We want to enable them to overcome the social, physical, geographic, environmental and economic barriers that create inequality	
Priorities for 2011 - 2013	14. Children will be supported to help them overcome social, educational, physical and economic inequalities.
Where are we now?	<ul style="list-style-type: none"> • In 2009, there were record numbers of students over 16 years choosing to continue in education or training. • A strategy is being developed for more co-ordinated action to reduce further the number of young people who are not in education, employment or training.⁵
Children and young people's views	<div> <p>We are not on supplementary benefit, so we have to pay for everything and we can't afford to do it.</p> <p>In Guernsey, the people who are best off are those at the top and those at the bottom. Those just above the bottom like us working families, don't get any help (parental comment).</p> </div>

⁵ NEET (Not in Employment, Education or Training) – in Social Policy Plan for 2010

Actions under Priorities 1 – 14

This section of the Plan sets out the **14 priorities**, and the key **actions** that States Departments and partner agencies will work on between now and the end of 2013. The Operational Plan on pages 31-54 provides the detail to these **actions**, including which department will lead, the timescales, how we will know the action has been achieved and whether funding is required.

HEALTHY AND NURTURED

Priority 1 The physical health of all children will improve

- 1.1 Engage parents, particularly those of children in need, in healthy lifestyles choices for their children.
- 1.2 Ensure children have access to good nutrition throughout infancy, childhood and adolescence, to offset eating disorders/obesity and related health problems and poor dental health.
- 1.3 Encourage all schools to follow the National Healthy Schools Standard and School Food Trust Guidelines for food provided in schools.
- 1.4 To assess the impact of the interventions by the Health Promotions & Health Equalities Project, with a view to making recommendations for longer term projects to help alleviate inequalities.

Priority 2 Children's mental health and emotional needs will improve

- 2.1 Reduce substance misuse in under 18's by utilising prevention strategies.
- 2.2 Introduce substance misuse treatment service for young people within the Child and Adolescent Mental Health Service.

- 2.3 Review provision of information available for children and young people and their families experiencing emotional difficulties.
- 2.4 Pilot and evaluate the Intensive Outreach Service for young people with complex mental health needs.
- 2.5 Investigate the feasibility of trained mental health workers in the Primary Care setting.

Priority 3 Children will have a safe place to live within a supportive environment

- 3.1 Investigate local priorities for the Children's Environment and Health Action Plan to create positive environments, which nurture better health and wellbeing and reduce inequalities.
- 3.2 Pilot and evaluate Family Group Conferencing.
- 3.3 Achieve appropriate and effective information sharing across professionals and agencies.
- 3.4 Develop a strategy for homeless young people in need – age 16-18 and care leavers (including young offenders).
- 3.5 Provide accommodation as per legislation for young people up to 18 years of age.

Priority 4 Children will enjoy a positive and rewarding childhood

- 4.1 Develop a multi-agency strategy for Looked After Children.
- 4.2 Improve health outcomes for Looked After Children.
- 4.3 Develop strategies to improve education outcomes for Looked After Children.

- 4.4 Prepare a multi-agency strategy for children affected by disability.
- 4.5 Investigate the feasibility for a range of respite provision for families of children in need.
- 4.6 Develop a multi-agency strategy for young people who are primary carers for family members.

SAFE

Priority 5 Children will be protected from abuse, neglect and harm

- 5.1 Ensure that the ICPC responds quickly to issues raised by contributing agencies.
- 5.2 Develop and implement protocols to protect children from, and help them overcome, the effects of domestic abuse.
- 5.3 Develop the Child's Plan as an assessment and planning tool for Child Youth and Community Tribunal.
- 5.4 Establish the use of the Child's Plan as a universal assessment and planning tool for multi-agency working with children and their families.
- 5.5 Explore further the needs of children whose parents are affected by substance misuse or other mental health issues.
- 5.6 Ensure that agencies are effectively working together to meet the needs of Looked After Children to keep them safe.
- 5.7 Ensure continuation of Supervised Contact Service.
- 5.8 Support initiatives to inform children and parents regarding e-safety.

Priority 6 Children will be given strategies to protect themselves and stay safe

- 6.1 Support initiatives to inform children and parents regarding safety.
- 6.2 Provide children with strategies to make assessment of risk and to make safer choices.
- 6.3 Carry out a feasibility study to look at introducing a named person for every child.

Priority 7 Children will get the help they need when they need it

- 7.1 Ensure adherence to follow multi-agency Child Protection Guidelines.
- 7.2 Develop post abuse support to children and young people.
- 7.3 Develop an anti-bullying strategy.
- 7.4 Support to professionals to ensure children are listened to, respected and their concerns are taken seriously.

ACHIEVING AND ACTIVE

Priority 8 Children will become effective contributors and confident individuals

- 8.1 Enhance play facilities and activities for all children.
- 8.2 Enhance the play based elements of the Foundation/Early Years Curriculum.
- 8.3 Extend the range of out of school arts activities in order to engage more children and young people.
- 8.4 Engage socially excluded young people in opportunities to enjoy the arts.
- 8.5 Extend the range of sporting activities out of school, in order to engage more children and young people.
- 8.6 Engage socially excluded young people in opportunities to enjoy sports.
- 8.7 Promote the programme of Museum, Education, outreach and activities aimed at children, young people and families.
- 8.8 Extend the holiday activity provision for secondary age pupils in need.

Priority 9 Children will become successful learners

- 9.1 Promote and recognise the achievement of all children and young people.
- 9.2 Increase levels of participation in all learning opportunities.

- 9.3 Enhance information, advice and guidance for those young people going through key transitional phases, specifically 14-16 year olds and 16-19 year olds.
- 9.4 Broaden the range of accredited learning programmes for 14-19 year olds.
- 9.5 Improve communication about early learning in Guernsey.

RESPECTED AND RESPONSIBLE

Priority 10 Children's views will be considered in decisions about themselves and Guernsey

- 10.1 Maximise the opportunities for young people to engage in political and public debate.
- 10.2 Provide opportunities to enable young people to engage with key stakeholders to represent the views of young people.
- 10.3 Establish a Children and Young People's Reference Group to monitor implementation of this Plan, ensuring representation from a range of backgrounds and specific needs.
- 10.4 Design and implement a strategy to enable children and young people who need services, to participate in both strategic and individual service planning.
- 10.5 Establish an evidence base which articulates young people's views, attitudes and expectations.

Priority 11 The behaviour of children at risk of, or displaying offending behaviour, will be addressed and their needs will be met

- 11.1 Identify children and young people who may be at risk of offending and devise preventative interventions
- 11.2 Develop an integrated strategy to address the needs and behaviour of children and young people who offend, as required by the Convenor, CYCT and Juvenile Court.
- 11.3 Agree and implement protocols for the use of Restorative Justice within the CYCT system and increase the use of Restorative Justice Interventions in all appropriate cases.
- 11.4 Deliver evidence based interventions with young people who offend.

Priority 12 Children will become responsible citizens

- 12.1 Develop informal learning opportunities for young people.
- 12.2 Promote volunteering amongst all young people.

Priority 13 Children will learn to build healthy, respectful relationships

- 13.1 Develop parenting programmes for parents of children in need or at risk.
- 3.2 Develop therapeutic services for children affected by domestic abuse.
- 13.3 Investigate the need for therapeutic help for children affected by living with parents or carers abusing alcohol or drugs.
- 13.4 Promote respect for children in the community and within families.

INCLUDED

Priority 14 Children will be supported to help them overcome social, educational, physical and economic inequalities

- 14.1 Identify and implement strategies to help children and young people to move out of poverty, as part of the wider review of benefits.
- 14.2 Ensure workforce development strategies include a focus on young people who are not in employment, education or training (NEET).
- 14.3 Report back to the States on improving the quality, availability and affordability of childcare.
- 14.4 Develop a multi-agency on-line survey, similar to the Young People's Survey to gauge parent's views.
- 14.5 Monitor whether young people identified in Alderney can access appropriate services.

What Happens Next?

Reporting

The Children and Young Peoples Planning Group (CYPP Group) will report to the Guernsey Policy Council's Social Policy Group annually, on progress on the actions set out in the Operational Plan. The CYPP Group will provide a detailed breakdown on its performance, as measured against the priorities set out in this Plan. These reports will be published on the States Website (www.guernsey.gov.gg) and the Children Law website (www.childrenlaw.gg) so that the public can see what is happening.

Working towards the future

The next Children and Young People's Plan will cover the period of 2014 – 2017. In drawing it up, the Health and Social Services Department will take account of the service developments and the service improvement studies that are being commissioned under this plan. The CYPP Group will consult with professionals, children and young people and the public on priorities for the future. By the end of 2011 a timetable will be published for preparing the new plan so that it will be approved and ready to be implemented before 2014.

For the next Plan the CYPP Group will know more about the needs and hopes of children in Guernsey and Alderney. The group will also know more about the services that are required and about what can and cannot be done with the resources that are available now. This careful planning will ensure that these existing resources are fully utilised, but also identify where further funding may be necessary.

Glossary

A child “at risk”	<p>Section 23 of the Children (Guernsey & Alderney) Law 2008 states that a child is “at risk” if s/he:</p> <ul style="list-style-type: none"> • is believed to satisfy the grounds of compulsory intervention; • has suffered, or is likely to suffer, significant impairment to health or development; • has suffered, or likely to suffer, sexual or physical abuse; • has misused drugs or alcohol or inhaled a volatile substance; • exposed or likely to be exposed to moral danger; • has displayed violent or destructive behaviour and is likely to be a danger to himself or others or is otherwise beyond control; • is 12 or over and has committed a criminal offence; • is failing to attend school without good reason.
A child “in need”	<p>Section 23 of the Children (Guernsey & Alderney) Law 2008 states that a child is “in need” if s/he:</p> <ul style="list-style-type: none"> • needs additional services in order to either achieve or maintain a reasonable standard of health or development; • is disabled; • is adversely affected, or likely to be, by the disability or illness of a family member.
CAMHS	Child and Adolescent Mental Health Services
Children and young people	Persons under 18 years (except for Part V of the Criminal Justice (Children & Juvenile Court Reform) (Bailiwick of Guernsey) Law 2008) dealing with remand where the age is under 17 years.
Obesity Strategy	The Guernsey Obesity Strategy May 2009.

Childcare	Childcare includes the use of a childminder, a nursery, a crèche, pre-school, play scheme or other school holiday scheme, an au pair, a nanny or informal childcare by someone outside your household, such as a friend, relation or former partner, but not just the occasional babysitting.
Child Youth & Community Tribunal (CYCT)	<p>The CYCT replaces court in most cases of child protection and child offending. Cases are heard by a lay panel of three people drawn from the local community. Guided by the law's basic principles, with the welfare of the child as the paramount concern. The CYCT will consider whether children at risk need compulsory intervention to ensure they receive sufficient care, protection, guidance or control.</p> <p>The Children (Guernsey & Alderney) Law 2008 (Part VI Sections 30-34)</p>
Children's Convenor	<p>Independent official, employed by the States of Guernsey, acting as gatekeepers to the Youth & Community Tribunal (CYCT).</p> <p>The Children (Guernsey & Alderney) Law 2008 (Part VI Sections 30-34)</p>
Children affected by disability	Disability means physical or mental impairment, which has a significant adverse effect on the ability to carry out normal day to day activities.
Healthy Lifestyle Survey	A five yearly questionnaire sent to members of the public on all aspects of healthy living.
Young People's Survey	A triennial survey of 2000+ students in years 6,8,10 and 12 to gauge the behaviour, beliefs and attitudes of young people in Guernsey.
School Food Trust Guidelines	National guidance regulating the provision of food in all English schools.
Young People's Activities Group	The Bailiwick holiday activity provision for youth.

Looked After Child (LAC)	<p>A “looked after child” is a child who is subject to:</p> <ul style="list-style-type: none"> • a community parenting order; • emergency child protection order; • secure accommodation order; • subject to police powers and accommodated by the department; • fit person order to the department; • subject to a care requirement and accommodated by the department; • voluntarily accommodated by the department to fulfil its social services functions.
PHSE Advisory Teacher	A teacher, funded jointly by HSSD and the Education Department to support all aspects of personal, social health and citizenship education throughout local schools.
Drug & Alcohol Strategy	The Drug & Alcohol Strategy 2009-2014 is an amalgamation of what were separate drug and alcohol strategies. It focuses on treatment, law enforcement, education and coordination.
Primary Care	There are three primary care groups in the community. Primary care doctors are in private practice. Patients are required to pay for their visits to the surgery, for house calls and care provided in the Accident and Emergency Department.
Child’s Plan	Any child whose needs are being addressed collaboratively by more than one agency has a multi-agency Child’s Plan constructed with the child, family, carers and relevant people involved with the family and recorded by the Lead Professional.
Social Policy Group	To develop, co-ordinate and review corporate social policy, including the development, monitoring and review of the GBP Social Plan.
OPTIONS	Guernsey Domestic Abuse Forum.

States Strategic Plan 2009 - 2013	The first States Strategic Plan (SSP) was approved by the States in October 2009. It has been developed alongside the Capital Prioritisation process and the Fundamental Spending Review, to co-ordinate policy direction.
Guernsey Arts Commission (GAC)	The Guernsey Arts Commission is a charitable trust and is made up of a body of voluntary Commissioners and a Board of Trustees. It provides a voice of the arts in the community, raising public awareness and promoting the value, relevance and importance of the arts.
Guernsey Sports Commission (GSC)	The Guernsey Sports Commission is a charitable trust and is made up of a body of voluntary Commissioners and a Board of Trustees. It provides a voice for Guernsey sport, with its main objective being to promote and support a healthy, active and successful sporting community.
Child Accident Prevention Group	The committee responsible for establishing strategies to reduce the frequency of childhood, avoidable injuries.
Life Long Learning Annual Report	The Annual Report of the Lifelong Learning Advisory Committee, which is a sub committee of the Education Department.
VSSE Reports	Validated Schools Self Evaluation Report.
REP Reports	Report of evaluation and planning.
Environment & Health Action Plan	The aim of this plan is to create positive environments, which nurture better health and wellbeing and reduce inequalities.
Restorative Justice (RJ)	Is an approach to justice that focuses on the needs of victims and offenders. It works to resolve conflict and repair harm.

Islands Child Protection Committee (ICPC)	The establishment of the Islands Child Protection Committee is a requirement of the Children (Guernsey & Alderney) Law 2008 (Part V, section 29). The principle objective of the Islands Child Protection is to co-ordinate what is done by each person or organisation represented on the Committee, for the purpose of protection and promoting the welfare of the children of Guernsey and Alderney.
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Children and Young People's Planning

Group Members

Jacqui Gallienne	-	Director of Services for Children & Young People, Health & Social Services Department (CHAIRPERSON)
Dr Stephen Bridgman	-	Director of Public Health, Health & Social Services Department
Rosemary Browne	-	Manager, Supplementary Benefit, Social Security Department
Phil Falla	-	Chief Inspector, Guernsey Police, Home Department
Anna Guilbert	-	Chief Probation Officer, Probation Service, Home Department
Anita Harrild	-	Assistant Director, Services for Children & Young People, Health & Social Services Department
Sarah Harvey	-	Social Policy Co-ordinator, Policy Council
Selena Le Page	-	Business Manager, Services for Children & Young People, Health & Social Services Department
Yvonne Le Page	-	Health Promotion Manager, Health & Social Services Department
Jim Roberts	-	Director of Housing Services, Housing Department
Dr Peter Standring	-	Paediatrician, Medical Specialist Group
Alun Williams	-	Head of Lifelong Learning, Education Department

Guernsey and Alderney

The Children & Young People's Operational Plan 2011 to 2013

Abbreviations

CYPP Group	Children and Young People's Planning Group
A & E	Accident and Emergency Department
AFC	Action for Children
CAMHS	Child and Adolescent Mental Health Service
C & L	Culture and Leisure
Educ	Education Department
Home	Home Department
Housing	Housing Department
HSSD	Health & Social Services Department
ICPC	Islands Child Protection Committee
SACC	States Assembly and Constitution Committee
SSD	Social Security Department
SPG	Social Policy Group
VSSE	Validated Schools Self Evaluation
REP	Report of Evaluation and Planning
NEET	Not in Employment, Education or Training

Outcome – Healthy and Nurtured

Priority 1

The physical health of all children will improve

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
1.1 Engage parents, particularly those of children in need, in healthy lifestyle choices for their children	HSSD	Educ HSSD Voluntary Agencies C & L Drug & Alcohol Strategy Sexual Health Services	2011-2014	Increase in breast feeding rate Healthy Lifestyle Survey shows increase in healthy eating habits and physical activity levels Decrease in smoking in pregnancy rates Decrease in alcohol misuse in pregnancy rates Young People's Survey shows decrease in number of adults smoking at home	No additional funding required
1.2 Ensure children have access to good nutrition throughout infancy, childhood and adolescence to offset eating disorders/obesity and related health problems and poor dental health	HSSD	Educ	2011-2014	Reduction in decayed/missing/filled teeth rates for children Reduction in number of reported eating disorders Young People's Survey shows increase in healthy eating habits and physical activity levels	No additional funding required

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
1.3 Encourage all schools to follow the National Healthy Schools Standard and School Food Trust Guidelines for food provided in schools	Educ	HSSD	2011-2014	Percentage of schools who achieve national Healthy School status Percentage of schools to achieve the School Food Trust Guidelines	Dependent on Obesity Strategy Funding ⁶
1.4 To assess the impact of the interventions by the Health Promotions & Health Equalities Project with a view to making recommendations for longer term projects to help alleviate inequalities	HSSD	HSSD	2011-2012	Completion of assessment	£5,000 (funding agreed in 2009 States Strategic Plan process) ⁷

⁶ Billet d Etat XXXI

⁷ Billet d Etat XXVI

Priority 2

Children's mental health and emotional needs will improve

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
2.1 Reduce substance misuse in under 18's by utilising prevention strategies	Drug & Alcohol Strategy	Educ HSSD	2011-Ongoing	Young People's Survey shows decrease in self reported rates of smoking, drinking alcohol and drug abuse Drug & Alcohol Strategy statistics	Funding has been approved for this initiative within the Drug and Alcohol Strategy allocation ⁸
2.2 Introduce substance misuse treatment service for young people within the Child and Adolescent Mental Health Service	HSSD	Drug & Alcohol Strategy	July 2011- Dec 2012	Appointment of worker and service up and running Evaluation of service	Funding has been approved for this initiative within the Drug and Alcohol Strategy allocation ⁹
2.3 Review provision of information available for children and young people and their families experiencing emotional difficulties	HSSD	Educ	2011-2012	More information available publicly – website and in community settings	No additional funding required
2.4 Pilot and evaluate the Intensive Outreach Service for young people with complex mental health needs	HSSD		2010-2013	Outreach Service established Evaluation of service	Funding agreed in 2009 States Strategic Plan ¹⁰
2.5 Investigate the feasibility of trained mental health workers in the Primary Care setting	HSSD		2012-2014	Feasibility study conducted Percentage of young people identified within Primary Care CAMHS statistics	No additional funding required

⁸ Billet de Etat XVIII

⁹ Billet de Etat XVIII

¹⁰ Billet d Etat XXVI

Priority 3
Children will have a safe place to live within a supportive environment

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
3.1 Investigate local priorities for the Children's Environment and Health Action Plan to create positive environments, which nurture better health and well-being and reduce inequalities	HSSD	Housing	2011-2016	Achievement of Action Plan	No additional funding required
3.2 Pilot and evaluate Family Group Conferencing	HSSD	Educ/ICPC	2011-2013	Pilot will be completed and evaluated. Multi-agency training provided	No additional funding required
3.3 Achieve appropriate and effective information sharing across professionals and agencies	HSSD	ICPC	2011-2014	ICPC Audit Audit of information sharing document	No additional funding required
3.4 Develop a strategy for homeless young people in need – age 16-18 and care leavers (including young offenders)	HSSD	Housing Voluntary Agencies	2011-2012	Strategy produced and published	No additional funding required
3.5 Provide accommodation as per legislation for young people up to 18 years of age	HSSD	Housing Voluntary Agencies	2011-Ongoing	Meet the needs of 16 and 17 year olds as well as those under 16 years	This is dependent on the request for £500,000 being granted through the 2010 States Strategic Plan process being granted which will provide 14 wte additional staff

Priority 4
Children will enjoy a positive and rewarding childhood

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
4.1 Develop a multi-agency strategy for Looked After Children	HSSD	Educ Housing ICPC	2012-2014	Strategy in place and published	No additional funding required
4.2 Improve health outcomes for Looked After Children	HSSD	Primary Care ICPC	2011-2014	Evaluate and Audit Health Assessment Dental Survey	No additional funding required
4.3 Develop strategies to improve educational outcomes for Looked After Children	Educ	HSSD ICPC	2011-2014	Audit exam results and learning outcomes for Looked After Children	No additional funding required
4.4 Prepare a multi-agency strategy for children affected by disability	Social Policy Group	HSSD Educ	2012-2014	Strategy will be published	No additional funding required
4.5 Investigate the feasibility for a range of respite provision for families of children in need	HSSD		2012-2014	Wider access to Respite Services	No additional funding required
4.6 Develop a multi-agency strategy for young people who are primary carers for family members	HSSD	Educ	2012-2014	Strategy completed and published	No additional funding required

Outcome – Safe

Priority 5

Children will be protected from abuse, neglect and harm

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
5.1 Ensure that the ICPC responds quickly to issues raised by the contributing agencies	HSSD ICPC	CYPP Group	2011-Ongoing	CP Guidance in place and regularly reviewed ICPC Business Planning Process in place Performance Measures in place	No additional funding required
5.2 Develop and implement protocols to protect children from, and help them overcome, the effects of domestic abuse	HSSD	ICPC Options Children's Group	Jan 2011 - Ongoing	Protocol in place and being followed for children in households where there is domestic abuse	No additional funding required
5.3 Develop the Child's Plan as an assessment and planning tool for Child Youth & Community Tribunal (CYCT)	HSSD Office of Convenor All	ICPC CYPP Group	April 2011 - April 2012	All children attending Tribunal Hearings have a Child's Plan	No additional funding required
5.4 Establish the use of the Child's Plan as a universal assessment and planning tool for multi-agency working with children and their families	HSSD	CYPP Group ICPC Educ CAMHS	July 2012 - 2014	Number of Child's Plans in place for multi-agency working All relevant staff trained in the use of the Child's Plan	No additional funding required

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
5.5 Explore further the needs of children whose parents are affected by substance misuse or other mental health issues	HSSD	ICPC Drug & Alcohol Strategy HSSD	June 2011 - Ongoing	Identified programmes for working with parents affected by substance misuse with support to children Number of children attend CYCT where parental substance misuse is an issue	No additional funding required
5.6 Ensure that agencies are effectively working together to meet the needs of Looked After Children to keep them safe	HSSD	Educ Housing C & L	2011 - 2014	% of Looked After Children (LAC) participating in full-time education and training % of LAC with Education Plan % of LAC children accessing safe and positive activities Agency attendance at LAC Reviews	No additional funding required
5.7 Ensure continuation of Supervised Contact Service	Home	HSSD Court Office of Convenor	2011-2014	Continued provision of the Supervised Contact Centre % of children able to access resource	£46,517.00 (funding agreed in 2009 States Strategic Plan process) ¹¹
5.8 Support initiatives to inform children and parents regarding e-safety	ICPC	Educ Home	Jan 2011 - Ongoing	Number of initiatives to provide information Number of internet safety cases	£2,000 (funding agreed in 2009 States Strategic Plan process) ¹²

¹¹ Billet d Etat XXVI

¹² Billet d Etat XXVI

Priority 6
Children will be given strategies to protect themselves and stay safe

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
6.1 Support initiatives to inform children and parents regarding safety	ICPC	HSSD Educ ICPC Child Accident Prevention Group	Jan 2011 - Ongoing 2014	Long term reduction in number of children attending A & E due to accidents	No additional funding required
6.2 Provide children with strategies to make assessment of risk and to make safer choices	HSSD	HSSD Educ	2011	Risk Assessment supported as part of the curriculum	No additional funding required
6.3 Carry out a feasibility study to look at introducing a named person for every child	Educ HSSD	All	July 2011-2012	Study produced and evaluated	No additional funding required

Priority 7**Children will get the help they need when they need it**

Action	Who leads	Who is involved	Timescale	Progress Measures	Funding
7.1 Ensure adherence to follow multi agency Child Protection Guidelines	ICPC	All	2011-Ongoing	ICPC Monitoring & Evaluation Sub-Committee to monitor where guidelines are being followed	No additional funding required
7.2 Develop post abuse support to children and young people	HSSD		Jan 2011 - 2013	% of children, following identification of need, able to access post abuse services where needed Service in place	£47,900 (funding agreed in 2009 States Strategic Plan process) ¹³
7.3 Develop an anti-bullying strategy	ICPC	All	2012-2013	Strategy produced	No additional funding required
7.4 Support to professionals to ensure children are listened to, respected and their concerns are taken seriously	ICPC	All	Jan 2011 - Ongoing	Review of Child Protection Training Increase in children coming forward to discuss a range of concerns Number of staff undertaking Family Partnership training	No additional funding required

¹³ Billet d Etat XXVI

Outcomes – Achieving and Active

Priority 8

Children will become effective contributors and confident individuals

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
8.1 Enhance play facilities and activities for all children	C & L	Educ HSSD Environment Housing Voluntary Sector Gsy Sports Commission	Ongoing	Increase in opportunities for young people to participate in play activities C & L Statistics	No additional funding required
8.2 Enhance the play based elements of the Foundation/ Early Years Curriculum	Educ	HSSD C & L Gsy Sports Commission	Ongoing	VSSE Reports REP Reports All playschools, receptions and pre-schools taking part in a “start to” play scheme	No additional funding required
8.3 Extend the range of out of school arts activities in order to engage more children and young people	C & L	Partner Arts Organisations Gsy Arts Commission	Ongoing	Gsy Arts Commission statistics Range of activities increased	No additional funding required

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
8.4 Engage socially excluded young people in opportunities to enjoy the arts	C & L	Educ Youth Service Partner Arts Organisations Gsy Arts Commission	Ongoing	An increased number of socially excluded young people engaged in the arts measured through C & L Strategy Lifelong Learning Annual Report	No additional funding required
8.5 Extend the range of sporting activities out of school, in order to engage more children and young people	C & L	Educ Youth Service Sports Organisations Gsy Sports Commission	Ongoing	An increase in participation in out of schools sports activities measured by Sports Commission Statistics Young People's Survey Range of sporting activities increased	No additional funding required
8.6 Engage socially excluded young people in opportunities to enjoy sports	C & L	Educ Youth Service Sports Organisations Gsy Sports Commission	Ongoing	An increase in the number of socially excluded young people engaged in sports measured by Sports Commission Statistics Young People's Survey	No additional funding required
8.7 Promote the programme of Museum, Education, outreach and activities aimed at children, young people and families	C & L	Educ Voluntary Groups	Ongoing	Increased attendance at the museum recorded through C & L Strategy - annual updates	No additional funding required

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
8.8 Extend the holiday activity provision for secondary age pupils in need	Educ	C & L Sports Commission Arts Commission Youth Service Voluntary Agencies HSSD Young People's Activities Group	Underway - finish by Summer 2011	Increase in number of young people accessing holiday activity provision measured through collated information from providers Young People's Activities Group	£9,000 (funding agreed in 2009 States Strategic Plan process) ¹⁴

¹⁴ Billet d Etat XXVI

Priority 9
Children will become successful learners

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
9.1 Promote and recognise the achievement of all children and young people	Educ	C & L HSSD Gsy Sports Commission Voluntary Agencies	Ongoing	Evidence of celebration of achievement recorded through media coverage REPS Reports VSSE Reports Young People's Survey Number of awards evenings	No additional funding required
9.2 Increase levels of participation in all learning opportunities	Educ	HSSD C & L Voluntary Agencies	Ongoing	Increased participation is recorded in published participation rates VSSE Reports REP Reports	No additional funding required
9.3 Enhance information, advice and guidance for those young people going through key transitional phases, specifically 14-16 year olds and 16-19 year olds	Educ	HSSD Commerce & Employment Local Businesses	Ongoing	Evaluation of the effectiveness of the Careers Education Programme	No additional funding required

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
9.4 Broaden the range of accredited learning programmes for 14-19 year olds	Educ	HSSD C & L Voluntary Agencies Gsy Sports Commission Arts Commission	Ongoing	Increase in the range of accredited programmes available to 14-19 year olds Increase in the levels of participation in a range of accredited programmes	No additional funding required
9.5 Improve communication about early learning in Guernsey	Educ	All	Ongoing	Evidence of positive media coverage increased	No additional funding required

Outcomes – Respected and Responsible

Priority 10

Children's views will be considered in decisions about themselves and Guernsey

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
10.1 Maximise the opportunities for young people to engage in political and public debate	Educ	HSSD C & L SACC Youth Service Voluntary Agencies	2010-Ongoing	Number of 16/17 year olds registered to vote	No additional funding required
10.2 Provide opportunities to enable young people to engage with key stakeholders to represent the views of young people	Educ	All	Ongoing	Number of events where young people can engage with stakeholders	No additional funding required
10.3 Establish a Children and Young People's Reference Group to monitor implementation of this Plan, ensuring representation from a range of backgrounds and specific needs	HSSD	Educ Voluntary Agencies	2010-Ongoing	Reference Group established and representation monitored to ensure as many groups as possible are represented	£2,000 (funding agreed in 2009 States Strategic Plan process) ¹⁵

¹⁵ Billet d Etat XXVI

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
10.4 Design and implement a strategy to enable children and young people who need services to participate in both strategic and individual service planning	HSSD	Educ	2013-2014	Strategy developed	No additional funding required
10.5 Establish an evidence base which articulates young people's views, attitudes and expectations	Educ	HSSD C & L Voluntary Agencies	2012-2014	Establishment of the evidence base primarily through the publication of the findings of the Young People's Survey	No additional funding required

Priority 11

The behaviour of children at risk of, or displaying offending behaviour, will be addressed and their needs will be met

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
11.1 Identify children and young people who may be at risk of offending and devise preventative interventions	HSSD	Educ Home Voluntary Agencies	2011-2013	Assessment processes developed to identify those at risk of commencing offending behaviour Preventative interventions in place	No additional funding required
11.2 Develop an integrated strategy to address the needs and behaviour of children and young people who offend, as required by the Convenor, CYCT and Juvenile Court	HSSD	Home Office of Convenor	2011-2013	Qualitative assessment of the Child's Plan for child offenders Analysis of offenders being kept within the Convenor, CYCT and Court Systems	No additional funding required
11.3 Agree and implement protocols for the use of Restorative Justice (RJ) within the CYCT system and increase the use of RJ interventions in all appropriate cases	Home	Home Office of Convenor HSSD	2011-2013	Protocol consulted upon and agreed Increase the number and range of RJ interventions with child offenders	No additional funding required
11.4 Deliver evidence based interventions with young people who offend	HSSD	Home Educ	2011-Ongoing	Pre and post intervention evaluations	No additional funding required

Priority 12
Children will become responsible citizens

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
12.1 Develop informal learning opportunities for young people	Educ	HSSD C & L Voluntary Agencies	2011-2013	Increase in number of opportunities available for young people to participate in informal learning recorded in the Lifelong Learning Report e.g. Duke of Edinburgh Award Scheme	No additional funding required
12.2 Promote volunteering amongst all young people	Educ	Educ Voluntary Agencies C & L Guernsey Sports Commission HSSD	Ongoing	Increase in numbers of young people who volunteer	No additional funding required

Priority 13

Children will learn to build healthy, respectful relationships

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
13.1 Develop parenting programmes for parents of children in need or at risk	HSSD	Educ Voluntary Agencies	2011-Ongoing	Number of referred families accessing Parenting Programmes	£2,000 (funding agreed in 2009 States Strategic Plan process) ¹⁶
13.2 Develop therapeutic services for children affected by domestic abuse	HSSD	ICPC Voluntary Agencies	2011	% of children following identification of need, able to access post abuse service Service in place	Cross references with Priority 7.2
13.3 Investigate the need for therapeutic help for children affected by living with parents or carers abusing alcohol or drugs	HSSD	ICPC Drug & Alcohol Strategy Home	2012-2014	Feasibility study on service development Identified funding for a support programme Numbers of children identified	No additional funding required
13.4 Promote respect for children in the community and within families	ICPC	HSSD Educ	2012-2014	Media sampling	No additional funding required

¹⁶ Billet d Etat XXVI

Outcome – Included

Priority 14

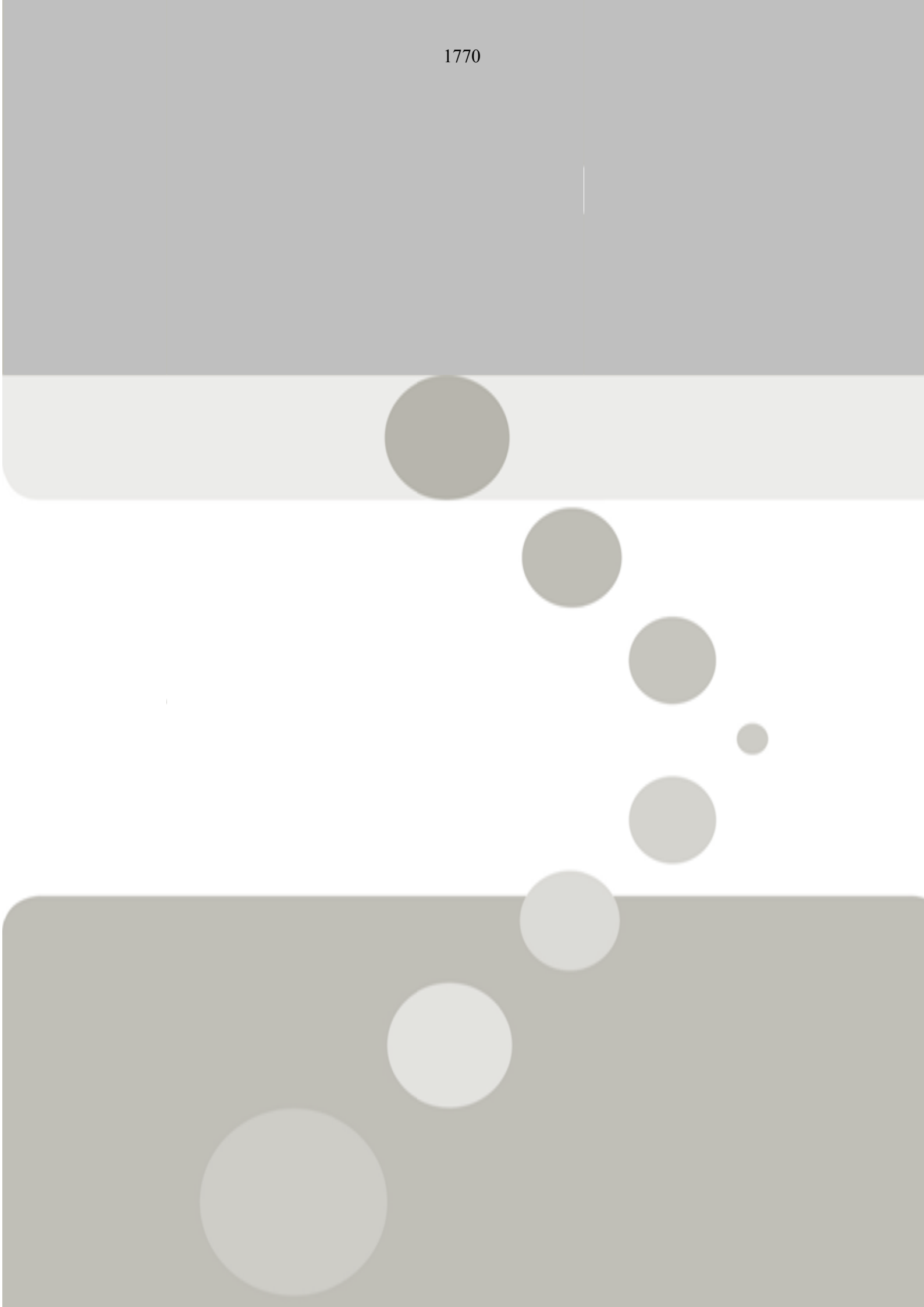
Children will be supported to help them overcome social, educational, physical and economic inequalities

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
14.1 Identify and implement strategies to help children and young people to move out of poverty, as part of the wider review of benefits	SSD	HSSD Educ Housing Social Policy Group	Jan 2011- Ongoing	The number of children and young people living in relative poverty	It is too early to say what additional funding might be required for this project in future years beyond the life of this plan. However, it is identified as a separate project and priority in the Social Policy Plan and, if necessary, a separate funding bid would be made through the SSP process at the appropriate time

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
14.2 Ensure workforce development strategies include a focus on young people who are not in employment, education or training (NEET)	Educ/ SPG	SSD HSSD C & E	April 2011- Dec 2013	Development of a NEET Strategy Number of young people claiming unemployment benefit or supplementary benefit as a jobseeker	The researching of a NEET strategy is identified separately in the Social Policy Plan. No additional resources are required for the development of the strategy, but may be required at a later date for implementation
14.3 Report back to the States on improving the quality, availability and affordability of childcare	SPG	SSD C & E Educ HSSD	Jan 2011- Dec 2012	Report debated by the States, including performance measures where appropriate	It is too early to say what additional funding might be required for this project in future years beyond the life of this plan. However, it is identified as a separate project and priority in the Social Policy Plan and if necessary, a separate funding bid would be made through the SSP process at the appropriate time

Action	Who leads	Who is involved	Timescales	Progress Measures	Funding
14.4 Develop a multi-agency on-line survey, similar to the Young People's Survey to gauge parents views	Educ	Home C & L HSSD	Jan 2011- Dec 2011	Completion of survey	£7,500 (funding agreed in 2009 States Strategic Plan process) ¹⁷
14.5 Monitor whether young people identified in Alderney can access appropriate services	HSSD	Educ SSD Voluntary Agencies Drug & Alcohol Strategy	2011-2013	HSSD to monitor the number of young people in Alderney who are unable to access appropriate services	No additional funding required

¹⁷ Billet d Etat XXVI



- (NB The Policy Council concurs with the Treasury and Resources Department and supports the Children and Young People's Plan, subject to funding being prioritised through the 2010 States Strategic Plan.)**
- (NB The Treasury and Resources Department supports the proposal, subject to funding being prioritised within the 2010 States Strategic Plan.)**

The States are asked to decide:-

XIV.- Whether, after consideration of the Report dated 8th September, 2010, of the Health and Social Services Department, they are of the opinion:-

To approve the Children and Young People's Plan for Guernsey and Alderney 2011-2013 as set out in that Report.

EDUCATION DEPARTMENT

THE REORGANISATION OF SECONDARY EDUCATION STAGE 2: THE REBUILDING OF LES BEAUCAMPS HIGH SCHOOL

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

8th September 2010

Dear Sir

Structure of the Report

- 1 Executive Summary
- 2 Background
- 3 Business Case
 - 3.1 Project Rationale and Brief
 - 3.2 Condition, Capacity and Fitness for Purpose
 - 3.3 Design Development
 - 3.4 Whole Life Costing
 - 3.5 Energy Conservation : Rainwater Harvesting
- 4 Programme
- 5 Risk Management
- 6 Procurement
 - 6.1 First Stage Tender
 - 6.2 Second Stage Tender
- 7 Approvals
 - 7.1 Capital Prioritisation Gateways
 - 7.2 Planning Approval
 - 7.3 Building Control/Fire Service
 - 7.4 Traffic
- 8 Management of the Project

- 9 Cost Plan
- 10 Revenue Costs
- 11 Recommendations
- 12 Appendices
 - 1. Les Beaucamps High School States Report from February 2009 Billet d'État VII

(In view of their size, appendices 2-10 are available in the States Members' Room at Sir Charles Frossard House or on request from the Education Department)

 - 2. Business Case
 - 3. Programme
 - 4. Area Schedule rev. 16
 - 5. Risk Assessment Schedule
 - 6. Phasing Plans
 - 7. Rainwater Harvesting Letters
 - 8. Traffic letters
 - 9. Project Board Reporting Structure
 - 10. Education Department Project Structure

1. Executive Summary

- 1.1 The purpose of this report is to seek the States' approval for:
 - The construction of a new Secondary School on the site of the existing Les Beaucamps High School at a project cost of £36,800,000. Full details of the background and scope of the project were presented to the States in February 2009 Billet d'État VII - see Appendix 1 - and subsequently in briefer detail as part of the capital prioritisation report in September 2009 Billet d'État XXIV.
 - The ongoing 2010-2015 Education Development Plan Programme One (EDP1) project costs which were recommended in the Treasury and Resources Department's report on capital prioritisation in May 2009 Billet d'État IX. These costs of £1,950,000 will cover central expenditure for the Les Beaucamps High School and other remaining projects for the EDP1 projects for fixed term staff, training, research, administration, technical advice, archaeological investigation costs and audits.
- 1.2 By September 2009 the inflation trend was downward. In September 2009 Billet d'État XXIV the estimated total cost for the Les Beaucamps High School project and the central EDP1 costs to 2015 was £38,100,000, including allowance for the duration of the project for anticipated inflation rates at that time.

- 1.3 The Treasury and Resources Department subsequently voted £1,700,000 to the Education Department to allow the necessary design development to progress in order to bring the project back to the States for its final consideration for the award of a capital vote.
- 1.4 The States are asked, therefore, to approve in total the transfer of £37,050,000 (£36,800,000 + £1,950,000 - £1,700,000) from the Capital Reserve to the capital allocation of the Education Department to cover the Les Beaucamps High School project costs and the 2010-2015 EDP1 central project costs.
- 1.5 The States are also asked to direct the Treasury and Resources Department to take account of the additional revenue costs associated with Les Beaucamps High School when recommending Cash Limits for the Education Department for 2012 and subsequent years.
- 1.6 These approvals are sought to comply with the Capital Prioritisation process that the Treasury and Resources Department had initially outlined in the November 2007 Budget Report - *“During the latter part of 2008, a further capital prioritisation process will be undertaken which will identify those projects which should be progressed during the period up to 2012 (i.e. during the life of the next House)”*.
- 1.7 The Treasury and Resources Department subsequently brought to the States a 5-part programme for noting in December 2008 Billet d’État XX to assist States Members in being fully informed beforehand on the capital projects which had been submitted by Departments.
- 1.8 The Treasury and Resources Department report in May 2009 Billet d’État IX, postponed to June 2009, recommended a capital programme and funding. One of the resolutions from the meeting was *“To approve the recommended programme for capital projects totalling £301million as set out in Programme C of Section 6 of that Report, subject to the proviso that the timetable for undertaking the projects shall be determined by availability of funding”*.
- 1.9 By September 2009 the inflation trend was downward. In September 2009 Billet d’État XXIV the estimated cost for the Les Beaucamps High School project was £38,100,000, including allowance for the duration of the project for anticipated inflation rates at that time, and it included the central EDP1 costs to 2015. Subsequently, the Treasury and Resources Department voted £1,700,000 to the Education Department to allow the necessary design development to progress in order to bring the project back to the States for its final consideration for the award of a capital vote.
- 1.10 The States approved the timing of the Treasury and Resources Department’s recommended programme for capital projects within the approved Capital Programme in the September 2009 States meeting and noted that each project that was included within the capital programme would be the subject of a

separate Report before the project could commence, unless the Treasury and Resources Department had delegated authority to approve a capital vote. These reports would include an appropriate level of detail, together with the final costings, and would seek States approval for a capital vote to be established (i.e. agreement for the funds to be released). At that stage, States Members would be able to propose amendments to any aspect of a particular project.

- 1.11 The Education Department has progressed successfully through the stages of the process: it has secured all the necessary planning approvals; it has passed the three stages of the Gateway process; and the budget and programme are within the parameters defined in the Les Beaucamps High School Section of the Treasury and Resources Department reports on Capital Prioritisation which the States debated in May 2009 Billet d'État IX and September 2009 Billet d'État XXIV.

Main Report

2. Background

- 2.1 In June 2009 the Treasury and Resources Department had presented a report (Billet d'État IX) to the States with its proposals for capital prioritisation. This included a capital programme and recommended funding. One of the resolutions at that meeting was *"To approve the recommended programme for capital projects totalling £301million as set out in Programme C of Section 6 of that Report, subject to the proviso that the timetable for undertaking the projects shall be determined by availability of funding"*.
- 2.2 Subsequently in the States on 1st October, 2009 (the meeting having been adjourned from 30th September, 2009), the States resolved as follows with regard to September 2009 Billet d'État XXIV:

"To approve the timing of the recommended programme for capital projects within the approved Capital Programme (as per the Gantt chart in Section 7 of that Report).

To instruct that all Departments submitting proposals for States of Deliberation approval of transfers from the Capital Reserve must:

- a. include in those proposals good quality and sufficient information on the capital project, to enable a decision to be made corporately, such information to include a business case, a risk assessment, full costings following a tender process, and details on management of the project; and*
- b. follow the procedures adopted by the States of Guernsey with regard to capital projects and as outlined in the Codes of Practice."*

- 2.3 This report summarises the information required in the above States resolution and the appendices provide further detailed source material referenced in the report.

3. Business Case

3.1 Project Rationale and Brief

- 3.1.1 Les Beaucamps High School is the oldest of the three secondary schools built after the Second World War. It was officially opened in 1959 and currently provides secondary education for the children of the Castel, St. Andrew's and St. Martin's parishes. From September 2012 it will also take the children who attend the Forest Primary School to the age of eleven.
- 3.1.2 The rebuilding project is of the highest priority to the Education Department because the existing buildings do not satisfy current standards for condition, capacity and fitness for purpose. The project for the school was first given approval to proceed to development by the States in 2001 as part of the Education Development Plan Programme One to rebuild the secondary, special and post-16 education and training facilities on the Island. Subsequent States Reports have been submitted to progress this programme. A full Les Beaucamps High School project history is contained in February 2009 Billet d'État VII (Appendix1).
- 3.1.3 The Les Beaucamps High School brief provides a new-build secondary school on the same site to replace and improve the current facilities. It will have capacity for up to 660 pupils aged from 11 to 16.
- 3.1.4 The project will provide new buildings to a maximum gross internal area of 9017m² on the school site. It will comprise a school building, a separate sports facilities block, and external sporting, hard play and parking areas. A compact plan form has been achieved, with general teaching accommodation arranged around a central courtyard cloister. The sports building is also based on a very efficient plan to reduce circulation space, maximise teaching area and reduce volume.
- 3.1.5 The existing school will be able to operate throughout the construction period because the new school buildings will be constructed on the school site and on land purchased by the States in 2004 for the purposes of the new school to the west of the existing school building. After demolition of the existing school buildings, the sports building will be built on that part of the site.
- 3.1.6 The new school buildings are expected to have a minimum 50-year life and a 15-year minimum period prior to first major maintenance. The buildings will adhere to Guernsey regulations and, where practicable in an Island environment, achieve the principles of the latest best practice guidance in the UK. The new buildings will use natural light and ventilation as much as possible, as well as

follow the standards recommended in the UK's Disability Discrimination Act 1995 and Part M of the UK Building Regulations. The intention is to achieve a highly sustainable solution reinforcing the Island's commitment to reducing carbon emissions.

- 3.1.7 It is intended that the new sports building's facilities will be made available to the local community outside normal school hours. Facilities will include a 4-lane pool, gymnasium and sports hall, with associated indoor and outdoor changing. Some external sports facilities, including the synthetic pitch and tennis courts, will also be available for use by the local community outside normal school hours. The sports field will be retained as the main external sports facility on the site. The landscape masterplan has endeavoured to retain as many mature trees on the boundaries and within the school field as possible, with the boundaries positively enhanced with native shrubs, perennials and tree planting. The Education Department intends to retain the drill hall and scout hut for further and continued use by the school and community. The caretaker's house and Militia hut store will also be retained by the school to serve the new building. The World War 2 bunker will remain unaltered.

3.2 Condition, Capacity and Fitness for Purpose

Condition

- 3.2.1 The buildings are in very poor condition and beyond their intended lifespan. They are failing to meet current standards for health, safety and disability compliance. Significant costs for maintenance would be needed to keep Les Beaucamps running for a further 10 years. In total around £5.5 million would be needed. The building requires a new roof, and the replacement of its glazing and hard surface external play areas. The elevations are in poor condition and damp is obvious in many parts of the buildings. The building services in the main are the original installations and in need of replacement. Les Beaucamps High School would not comply with the access conditions of the U.K. Disability Discrimination Act. The school is organised with clusters of classrooms on the first floor only accessible by stairs for each cluster. Modern fire safety requirements for compartmentation or sprinklers cannot be met. It is not energy efficient and there is insufficient separation of play areas from the areas used for school buses and parents' dropping-off and collection points.

Capacity

- 3.2.2 The buildings do not currently provide the capacity required for the increased number of pupils who will be attending the school because of the reorganisation of secondary education, the raising of the school leaving age to 16 and the adjustment of secondary catchment areas. Les Beaucamps High School should presently accommodate no more than 490 pupils in the space it has available.

Fitness for purpose

- 3.2.3 The buildings are no longer fit for purpose to provide for the curriculum of the school and the required social, recreational and community sporting facilities.

Many of the classrooms are too small to accommodate the technology used in today's lessons and the school hall is too small to accommodate the increased numbers. The raising of the school leaving age to 16 also requires more small group learning facilities to be available. The facilities for school lunches are not adequate – the school was built at a time when most children did not stay during the lunch-hour. In the present buildings, none of the rooms below is fit for purpose:

Library/School Hall/Gym/Changing rooms/
Science laboratories/Prep room/Music rooms/Art rooms/
Dining room/canteen/Staff room/Staff toilets/offices/
Reception/Workshops block

- 3.2.4 The full Business Case, as updated to May 2010 and reviewed as part of the Gateway process, is shown in Appendix 2.

3.3 Design Development

- 3.3.1 The Project has reached the end of Stage E in the Royal Institute of British Architects (RIBA) outline plan of work which defines the stages of the process of designing buildings and administering building contracts. This stage prepares final proposals for the project sufficient for the coordination of all components and elements of the project. It results in the production of the “Employer’s Requirements” documents which form the basis by which the main contractor in a Design and Build contract produces his “Contractor’s Proposals” and submits a final contract price.
- 3.3.2 Throughout the design development stages, the design has been refined and value engineered in a series of meetings between the Education Department, including the Headteacher and staff and pupils of the school, the Design Team and the contractor. The process of value engineering will continue throughout the next stages of the design.
- 3.3.3 The external footprint of the building has been able to be reduced in size and this has greatly enhanced the visual impact at the western end of the site. The Design Team has been able, within this reduced external footprint, to add significant value-for-money, functional areas to the project by utilising the double height internal spaces to create mezzanine levels in some spaces which simplify the maintenance of utilities, provide additional learning spaces, and add viewing facilities and a meeting room in the Sports building. The sloping nature of the site has also required some revisions to the provision of plant and circulation. This additional area totals some 400m² and is detailed in full in Appendix 5. It had been supported by the Project Board as beneficial design development on condition that the project remained within the cost boundaries set by the States.

3.4 Whole Life Costing

- 3.4.1 The project team has developed the scheme, in conjunction with maintenance management, on the basis of a whole life costing approach and having regard to construction costs, running costs and maintenance/replacement costs over a 50 year minimum life with 15 years minimum to first major maintenance. In respect of both design and choice of materials, the project team has evaluated the “trade off” between initial and total running cost of the facilities.
- 3.4.2 The project team has provided whole life costing data during the design stages of the project to assist in making informed decisions on key elements of the design, for example, boiler plant, roof construction, wall cladding etc. Where assessed, the life cycle costing is based upon the life of the building.

3.5 Energy Conservation: Rainwater Harvesting

- 3.5.1 The design of the new buildings will be much more energy efficient than the present buildings and has been developed to maximise energy savings through sustainable design and to improve the internal environment within the school. It incorporates solar thermal water heating, natural ventilation and thermal mass cooling as well as rainwater harvesting.
- 3.5.2 The environmental design for the building in terms of reducing carbon emissions follows the widely accepted three principles of sustainable energy use:
- firstly: use less energy (be lean) (typically associated with the building fabric and orientation)
 - secondly: supply energy efficiently (be clean) (typically associated with the building mechanical and electrical systems)
 - thirdly: use renewable energy (be green) (typically associated with the building renewable energy measures).
- 3.5.3 The design elements relating to energy conservation generally are explained in greater detail in the Education Department’s States Report in February 2009 Billet d’État VII (Appendix 1).
- 3.5.4 The design for the water systems for the new Les Beaucamps High School aims to minimise water use as far as practically possible and includes:
- water submetering
 - low flow aerated shower heads
 - secondary circuit on long hot water delivery pipework
 - percussion taps (or PIR taps) in bathrooms

- dual flush WCs
- rainwater re-cycling to allow rainwater to be used within toilet cisterns and for irrigation of landscaping.

3.5.5 In the Environment Policy endorsed by the States in October 2009 as part of the States Strategic Plan the long term vision is stated as:

“Our natural and built environment will be recognised as:

- *unique and central to every aspect of life*
- *an equal partner to our economic development*
- *essential to our health and social wellbeing*
- *a fragile resource*
- *demanding of sustainable and wise use.”*

Amongst the outcomes which are expected are:

“

1. *The States of Guernsey will provide clear leadership through education, information and action on environmental issues and challenges.*
4. *Environmental considerations will be integrated into all policies, programmes and service delivery.*
6. *Education about environmental issues and impacts will have been provided and quality information will be readily available.*
12. *Water resources will be effectively managed.*
19. *Our buildings will embrace high environmental quality standards.”*

Within the summary of actions contained in the First Action Plan is:

“vi Investigate the practicality and desirability of establishing policies and incentives to promote grey water recycling.”

3.5.6 The Education Department is trying to demonstrate, through the Les Beaucamps High School project, its commitment to this policy. Guernsey Water has raised some queries and concerns regarding the re-use of rainwater on the site and this correspondence is shown in Appendix 7. The detailed reply from Hoare Lea, the Mechanical and Electrical consultants for the project, addresses the concerns expressed. The Education Department is fully aware of the system maintenance

requirements and the estimated associated annual costs for rainwater recycling and intends to realise a design and installation which not only satisfies all parties in terms of reducing water consumption, but also provides a valuable educational resource promoting water efficiency. Therefore, by a majority, the Board of the Education Department wishes to include rainwater recycling in these redevelopment proposals.

4. Programme

4.1 The programme for the construction of the project is given in outline below:-

Section	Phase	Commencement	Completion	Scope
1	1A	1 December 2010	26 July 2012	Construction of Main School Building
2	1B	25 July 2011	2 September 2011	Construction of External Sports Area
3	2	23 July 2012	31 August 2012	Demolition of Existing School
4	3A	6 August 2012	1 April 2013	Construction of Multi Use Games Areas and External Areas
5	3B	6 August 2012	6 December 2013	Construction of Sports Hall and overall Project Completion

4.2 Programme delivery has been adjusted marginally to ensure the project is as economical as practical to construct.

4.3 The project remains on programme and, subject to States approval, it can be constructed in accordance with the agreed programme.

4.4 Details of the overall programme and phasing arrangements are shown in appendices 3 and 6.

5. Risk Management

5.1 A detailed risks schedule has been developed which has been quantified and reviewed by the Contractor, Client and Design Team. It is produced and maintained by the Project Manager.

- 5.2 The risk schedule highlights the parties responsible and key actions required to mitigate or eliminate any identified risks. It identifies all the known risks on the project, potential costs, programme effects, the strategy for minimising the impact of risk and it highlights the areas of highest risk. The risk schedule is updated on a monthly basis as the project develops and risks change.
- 5.3 The Design Team identifies any known risks in relation to their discipline. These are incorporated within the risk schedule and are managed and mitigated by all members of the project team.
- 5.4 No allowance or consideration has been made for the wider risks outside the control of the Design Team or the Education Department, although these issues will be managed and mitigated wherever possible. No allowance, therefore, has been made for risks associated with:-
- changes in statutory standards
 - tax changes
 - political risks that may result in the project being deferred
 - civil commotion
 - impact of accelerated change in I.C.T.
- 5.5 The budget pricing of the risks means that it has provided a more considered guide to the level of contingency required for the project. This latest risk schedule's indication of the average risk allowance is within the project contingency remaining when the pre-construction, construction and fee contingencies are combined. Appropriate allowances are made within the cost plan for the project to account for the estimated level of risk, and the level of contingency within the project cost plan has been set to reflect the fact that, as the contractual arrangement is design and build and the contract sum is a fixed price in respect of fluctuations, a very significant element of the project risk will be transferred to the main contractor.
- 5.6 The risk schedule as at August 2010 is shown in Appendix 5.

6. Procurement

- 6.0 The agreed and approved procurement strategy for the design and construction of the Les Beaucamps High School following a full report and procurement workshop in March 2008 was the use of a Two-Stage Design and Build Contract based upon a JCT Standard Form of Contract with Guernsey Amendments. This procurement approach was the firm recommendation of the Education Department as Client, States Property Services (SPS), Quantity Surveyor (Gardiner & Theobald LLP), Client Representative (King Sturge LLP), Architect (Design Engine) and St. James' Chambers.

6.1 First Stage Tender

- 6.1.1 Following an open and fully competitive tender process, RG Falla Limited were appointed in 2009 as the successful first-stage contractor. A First Stage Main Contractor Tender Evaluation Report was compiled by Gardiner and Theobald which reported:

“Following the competitive tendering process and subsequent interviews as outlined in this document, it is the opinion of all the consultees to the tender process that the tender presented by R.G. Falla Limited represents the best value for the project.

It is therefore recommended that R.G. Falla Limited should, on the basis of their first stage tender, be invited to become preferred bidder for the project and that they should be invited to enter into a pre-construction services agreement in order to work with the design team to develop a second stage final tender for the project by 27 October 2010 in accordance with the current project master programme.”

- 6.1.2 A scoring assessment was discussed with the Education Department, SPS, Client Representative, Quantity Surveyor and Architect and it was agreed that the optimum criteria would be an 80-20 quality and cost assessment, as the quality of the tender had greater relevance than price at this stage, because the work packages in the second stage would represent more than 80% of the final project budget.
- 6.1.3 This two-stage process envisaged a first stage tender in which the prospective main contractors were invited to submit their proposals for the following:-
- proposed programme for the entire project including the pre-construction phase; the construction of the main school building (Phase A/Section 1), the demolition of the existing school (Phase B/Section 2) and the construction of the sports block (Phase C/Section 3)
 - proposed preliminary costs to provide for the management and operation of the project identified in their programme on a fixed price basis
 - their level of overhead and profit to be applied to the prime cost of the works, which would be tendered in sub-contractor packages – Stage 2 of the tender process
 - their level of risk to be applied to the prime cost of the works to account for the fact that the final contract would be let as a design and build contract and the contractor would have total design responsibility for the project
 - their fee for the pre-construction phase of the project. This was the second stage of the tender process during which the contractor was required to work in partnership with the Design Team to tender all

aspects of the project on an “open book” basis to an agreed number of sub-contractors

- their management and site team for the project duration, demonstrating their experience and skills and appropriateness for this specific project
- finally the contractor was requested to submit details of how he could “add value” to the project by advising on “buildability”, “island special issues”, sustainability and other key project goals.

6.1.4 The timescale and methodology for the First Stage Tender, following agreement on the assessment and scoring criteria, are, in summary, as follows: expressions of interest were invited and pre-qualification questionnaires (PQQ’s) were sent out to those who replied. After review of the completed and submitted questionnaires, a Review and Recommendation Report was prepared and the following companies were requested to submit first stage tenders:-

- Charles Le Quesne Limited (CLQ)
- R.G. Falla Limited (RGF)
- Trant (Guernsey) Limited (Trant)

6.1.5 Following receipt of the tenders, Gardiner and Theobald provided to each member of the tender assessment panel an “Initial Overview and Tender Analysis Summary”, which sought to identify the key issues and financial aspects of each tenderer’s bid.

6.1.6 A consensus scoring of each tender against key criteria, which had been previously identified to the tendering contractors, was undertaken by the selection panel comprising representatives of the Client and consultant teams.

6.1.7 A representative from St. James’ Chambers attended the tender scoring meeting and interviews in a purely advisory role to ensure procedural and legal matters were correctly addressed and so did not score the tenderers.

6.1.8 The overall evaluation forms comprised 15 sections upon which the bid was assessed and provided for a quality/cost assessment on an 80% quality and 20% cost basis. This assessment ratio had been previously agreed by the Project Board. The quality headings, scoring weighting and price scoring were provided to the tenderers with the tender documentation to ensure they were clear on the basis for assessment and the key considerations for this project and client. This is a key consideration at first stage tender as the aim is to test quality and value for money rather than lowest price.

6.1.9 The first section of the tender evaluation form was based upon the contractor’s score at the PQQ stage. The last section was based upon their first stage tendered price.

- 6.1.10 All other sections were reviewed, discussed, moderated and scored by the client team and the consultant team to produce cost/quality evaluation scores.
- 6.1.11 Following the assessment of the submitted tenders, the three contractors were invited to interview with the client and the project team. The purpose of the interviews was to review the assessed scores taken from the submitted tenders.
- 6.1.12 Following completion of a satisfactory financial check by the States Chief Accountant, it was recommended that RG Falla be awarded the status of Preferred Contractor on the basis of their clarified tender response and the Project Board subsequently resolved to recommend that tender to the Education Board, which has political and financial accountability for these proposals.

6.2 Second Stage Tender

- 6.2.1 The agreed procurement strategy for the second stage of the project procurement was that the Client, Design Team and RG Falla would work together between January and August 2010 to develop the design of the school to RIBA Stage E and then to tender all major aspects of the project as “packages” to appropriate sub-contractors.
- 6.2.2 This process enabled RG Falla, the Client and the Design Team to work together over a sustained period to resolve numerous key technical issues and to maximize “buildability considerations” for the overall benefit of the project as required by Gateway 3 procedures. The process also enabled both strategic and detailed value engineering issues to be fully considered via the interaction with appropriate sub-contractors, thereby maximizing value for money considerations as required by States procedures and evidenced through the Gateway 3 review.
- 6.2.3 At the outset of the Stage 2 process, the Education Department and SPS requested that at least 80% of the overall packages by value be tendered in open competition. In the event the Main Contractor and Design Team ensured that 92% of the overall value of all packages were the subject of open market competitive tenders with, in all cases, a minimum of three companies being invited to tender, ensuring optimum value for money.
- 6.2.4 The balance of packages, 8%, was negotiated with RG Falla utilizing rates proposed by RG Falla for other works constructed in Guernsey. These rates were reviewed and analysed by Gardiner and Theobald prior to these packages being finally included in the overall proposal.
- 6.2.5 Many of the negotiated packages covered aspects of the works relating to Statutory Authorities e.g. Guernsey Electricity, where open competition was not possible.
- 6.2.6 Following the full open tender second stage process, RG Falla proposed a contract sum for the design and construction of the Les Beaucamps High School. This contract sum offer was then subjected to further rigorous review by the Client and Design Team.

- 6.2.7 After the review and the implementation of a detailed value engineering exercise, a final commercial contract proposal was agreed with RG Falla for submission to the Project Board and Education Board so that, subject to the requisite final States approval and sign-offs, the States would enter into contract with RG Falla for the design and construction of Les Beaucamps High School.

7. Approvals

7.1 Capital Prioritisation Gateways

- 7.1.1 The project has successfully worked through the three Gateway Reviews required by the States approved Construction Codes of Practice. Gateway 1 and 2 Reviews (Business Justification and Strategic Fit and Achievability) have previously been completed on this project. The status of both reviews was green.
- 7.1.2 The third review is *“intended to confirm that the recommended award decision is appropriate before the contract is placed with a contractor. The review also assesses whether the process has been well managed; whether the business needs are being met: that both the client and contractor can implement and manage the proposed solution: and that the necessary processes are in place to achieve a satisfactory outcome after contract award. The project and review teams must be satisfied that due consideration has been given to all the factors that affect a successful outcome for the project. It is following this review that a project may be submitted to the States for approval of both funding and the final scheme developed”*.
- 7.1.3 This third Gateway review has also now been given green status and the Gateway Review 3 Award Decision confirms that the project team and their proposals are in a position to deliver the intended project in a well controlled and effective manner.

7.2 Planning Approval

- 7.2.1 The Environment Department approved the Planning in Principle Application for the project in February 2009. Following further meetings with the Environment Department, Design Engine, the Architects for the project, submitted the Planning in Detail application on 21st June 2010. Planning permission was granted on 14th September 2010. The permission is conditioned and the development will be carried out in compliance with the approved written application and drawings and the variations required by the conditions.

7.3 Building Control/Fire Service

- 7.3.1 The Architects submitted the Building Control application on 14th June 2010 and they and the Education Department met with Building Control and the Fire

Service at a meeting on 7th July 2010. Notification of grant of Building Licence and approval of full plans was received on 14th September. The approval is conditioned and the work will be executed in accordance with the modification to the plans and the conditions to which the approval of the plans is subject. Now that the approval has been received, a permit will be requested from the Constables and Douzaine of Câtel parish under Ordonnance supplémentaire à L'Ordonnance relative à la Construction de Maisons, Salles Publiques et Bâtiments, et au Tracement de Routes et Chemins du 25th Avril 1931 (No VIII of 1936) as amended.

7.4 Traffic

- 7.4.1 The Traffic Services Unit of the Environment Department has commented on the proposals (Appendix 8) that it has “*no significant objections*” and welcomes the “*much improved access*” to the school. It comments that there would be benefit in the addition of a raised pavement along Les Beaucamps Road, but the Education Department does not have this provision in its cost plan and believes the creation of a raised walkway for the pupils within the eastern boundary of the site will reduce the need for it.

8. Management of the Project

- 8.1 The project is managed through a Project Board which operates in accordance with the guidance given in the States approved Construction Codes of Practice. The Project Board is responsible to the Education Department, as the sponsoring department, for the success of the project. Appendix 9 shows the reporting structure in which it operates. Appendix 10 shows the Education Department's project structure.

9. Cost Plan

- 9.1 Gardiner and Theobald, the appointed Quantity Surveyor for the project, produced indicative costs for the project prior to going to tender. These were used to monitor prices during the tender process.
- 9.2 As at 2nd January 2009, the estimated project cost had been £34.79 million, including allowance for inflation effects from January 2009 to completion of the project works in 2014. Following consultation with States Property Services, the Building Cost Information Service Industry standard index has been used to allow for expected inflation from 2009 to 2015 when the final payments are due to be made. At January 2009 it was estimated that a 1% increase in the level of inflation above these assumptions would result in an increase of £1.2 million in the total cost.
- 9.3 In 2004 the Education Department had agreed to defer its submission to the States for the rebuilding of Les Beaucamps. Costs totalling £452,697 had been incurred for development plans, surveys and purchase of land.

- 9.4 The Capital Prioritisation process subsequently included a total of £35.25 million for the project cost and the costs incurred to 2004.
- 9.5 Following the Capital Prioritisation debate in September 2009 and approval of Les Beaucamps High School as a Priority One project, the Treasury and Resources Department approved a total of £1.7 million to be transferred from the Capital Reserve to progress the project and achieve a market tested price to bring back to the States for approval. The funding request required from the Capital Reserve in this States Report allows for the £1.7 million already approved by the Treasury and Resources Department.
- 9.6 At the end of 2008 when the Capital Prioritisation funding requirements were determined, tender price inflation was forecast to fall in the early stages of the project and to rise in the final years. Since 2008 the economy has recovered at a faster rate than predicted and tender price inflation has increased from the levels predicted in 2008. In consultation with States Property Services, Gardiner and Theobald has updated the inflation allowance for the period of the project resulting in an increase in the estimated project cost from £34.79 million to £36.80 million, an increase of £1.537 million because of additional inflation.
- 9.7 The project cost resulting from the tender process can be summarised as follows:

Project cost	£36,347,303
Design, surveys and land purchase costs to 2004	£ 452,697
	<u>£36,800,000</u>

Cash Flow

- 9.8 Gardiner and Theobald have updated the cash flow to reflect the programme:

	£
To 2010	2,140,689
2011	11,212,234
2012	14,841,608
2013	6,831,402
2014	1,682,218
2015	<u>91,849</u>
Total	<u>£36,800,000</u>

- 9.9 The project cost includes appropriate allowance for construction costs, inflation, professional fees, equipment and contingency.
- 9.10 Included in the Capital Prioritisation debate approval to progress the Les Beaucamps High School as a Priority One project was total funding of £38.15

million including allowance for the duration of the project for anticipated inflation rates at that time. Following consultation with the Treasury and Resources Department, this comprised two elements: £35.25 million for the Les Beaucamps High School project and a further provision of £2.9 million for “project costs (including post-16 and special needs)”. Those further costs include Education Development Plan Programme One costs for the Les Beaucamps High School project and the other remaining projects for fixed term staff, training, research, administration, technical advice, archaeology and audits. These are capital costs incurred from the Education Capital allocation and cover the period from 2010 to 2015. The funding requirement has been reviewed and revised to take account of an expected saving from the Baubigny Schools construction project; from value engineering savings; and proceeds from the sale of Baubigny Farm. The funding required for overall EDP1 project costs has therefore reduced from £2.9 million to £1.95 million.

9.11 The States are, therefore, asked to approve capital funding of:

Rebuilding of Les Beaucamps High School	£ 36,800,000
EDP1 Project Costs 2010 to 2015	£ <u>1,950,000</u>
	£ 38,750,000
Less voted already by Treasury and Resources to progress the project	£ <u>(1,700,000)</u>
Total funding required from Capital Reserve	£ <u>37,050,000</u>

10. Revenue Costs

- 10.1 The States Report in February 2009 Billet d’État VII provided approximate additional annual revenue estimates based on 2008 prices. The estimates have been updated and are summarised as follows:

Additional Annual Revenue Expenditure

	Feb 2009 (2008 prices) £	Total 2014 Estimates £	School £	Sports Hall £
Staffing costs	-	50,000	50,000	-
Maintenance contracts etc.	150,000	131,500	89,000	42,500
Heat, light, water	65,000	149,500	28,000	121,500
General supplies etc.	10,000	10,000	10,000	-
Annual allowance for elemental refurbishment	170,000	175,000	175,000	-

Transport and hire saving	-	-20,000	-20,000	-
	£395,000	£496,000	£332,000	£164,000
2011 To be met from existing budgets		£16,000		
2012		£284,000		
2013		£339,000		
2014 and onwards		£496,000		

- 10.2 A maintenance schedule will be produced during the construction period and used with the Treasury and Resources Department to determine an ongoing schedule of planned preventative maintenance for elemental refurbishment. Detailed costs to operate and maintain the building to an appropriate standard are being evaluated. The initial estimate for elemental refurbishment is an annual average cost of some £175,000.
- 10.3 Additional staffing will be required for the anticipated increase in pupil numbers, although it is anticipated there will be no need to increase the overall staffing establishment of the Department because of the staff savings being implemented as a result of the closure of St. Peter Port Secondary School in 2009. However, there will be the need to recruit a premises manager, to augment the caretaking and cleaning staff already present in the school, as the school will become a larger, more complex and more widely used facility.
- 10.4 The buildings are designed to achieve a minimum life of 50 years with low-maintenance, durable materials being selected. The first major maintenance refurbishment is designed to be required no earlier than after a minimum of 15 years occupancy in order to manage and reduce costs wherever possible. Once the design is finalised, these detailed costs will be confirmed with the Treasury and Resources Department.
- 10.5 The revenue requirement estimates are very approximate at this early stage. Work will continue to identify possible rationalisation of staff and other costs. The Education Department will continue to work with the Treasury and Resources Department to identify and manage all the revenue budget implications.

11. Recommendations

- 11.1 The Education Department therefore recommends the States:

1. to approve the construction of secondary school facilities at Les Beaucamps High School as set out in this Report

2. to approve a capital vote totalling £36,800,000 for the construction of secondary school facilities at Les Beaucamps High School as set out in this Report
3. to approve an increase of £1,950,000 to the existing Education Development Plan Programme One Project Implementation Costs capital vote
4. to transfer a sum of £37,050,000 from the Capital Reserve to fund the above costs as set out in paragraph 9.11
5. to direct the Treasury and Resources Department to take account of the additional revenue costs associated with Les Beaucamps High School when recommending Cash Limits for the Education Department for 2012 and subsequent years.

Yours faithfully

C A Steere
Minister

Appendix 1

EDUCATION DEPARTMENT

THE REORGANISATION OF SECONDARY EDUCATION STAGE 2: THE REBUILDING OF LES BEAUCAMPS HIGH SCHOOL

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

22nd January 2009

Dear Sir

Structure of the Report

Executive Summary

Main Report

1. The need for rebuilding: condition, capacity, fitness for purpose
2. The project's compliance with the strategic policy focuses of the States
3. Project history
4. Development of revised plans for Les Beaucamps High School 2005-2008
5. Site location options
6. Construction phasing
7. Stage D design
8. Planning approvals
9. Design development to RIBA Stage D
10. Sustainability
11. Contract procurement
12. Cost plan
13. Revenue costs
14. Cashflow
15. Programme
16. Maintenance of school functions during the construction phase
17. Project management
18. Conclusions
19. Recommendations

Executive Summary

1. The Education Department requests that this States Report be debated in accordance with Rule 12(4) of the Rules of Procedure of the States of Deliberation.
2. It makes this request following the States debate at their 10th December, 2008 meeting on the Treasury and Resources Department's States Report "Capital Prioritisation". States members noted that Department's statement (Part One of the five part process on Capital Prioritisation) that :

"Between December and February three major projects will be debated under Rule 12(4) of the States Rules of Procedure such that they are considered by the States without amendment. Members will however be able to debate the proposals and ask detailed and searching questions".

Purpose of the Report

3. The purpose of this report is to explain to States members why Les Beaucamps High School (hereinafter also referred to as Les Beaucamps) needs to be rebuilt.
4. It explains the background to the project since the States first directed the then Education Council in 2001 to return to the States with proposals to develop three new High Schools. In September 2008 Les Beaucamps Secondary School and La Mare de Carteret Secondary School were renamed Les Beaucamps High School and La Mare de Carteret High School respectively to coincide with the opening of the new St. Sampson's High School.
5. The report outlines the plans for the new building, the projected costs and the programme for delivering the project.

The Strategic brief for the new school

6. The Les Beaucamps High School brief is to provide a new-build secondary school to replace and improve the facilities currently provided by the existing school on the same site. It must provide places for up to 660 pupils aged from 11 to 16.
7. The brief for the new school maintains the ambitions summarised in the original 2003 tender documents for the Design Team. The new school buildings must have an expected minimum 50-year life and a 15-year minimum period prior to first major maintenance. The buildings must adhere to Guernsey regulations, but also strive to achieve the principles of the latest UK standards. In particular, the school building design must use natural light and ventilation, as well as comply with the standards laid out in the Disability Discrimination Act 1995 and Part M of the UK Building Regulations. The ambition is to achieve a highly sustainable solution reinforcing the Island's commitment to reducing carbon emissions and global warming.

Programme and construction

8. An indicative construction programme has been produced, based on a two stage design and build procurement route as agreed with States Property Services. To ensure that the quality of the detail is maintained and controlled, this programme is based on the design team remaining directly employed by the Education Department and only moving to be directly employed by the construction contractor after completing RIBA Stage E (i.e. following the completion of the detailed design and after receiving building control approval). The existing school is to remain in operation throughout the construction programme.
9. Subject to it receiving high priority in the States Capital Prioritisation debate in March 2009, the projected completion date for the project is May 2014.

Project history

10. The project is one of the school rebuilding projects in the Education Department's Education Development Plan Programme 1 (EDP1). The outline business case for EDP1 was first presented in Billet d'État VII (April 2001) "The future organisation of Secondary and Tertiary Education in the Bailiwick of Guernsey".
11. Following States' amendment, the case was re-presented in Billet d'État VI (April 2002) "A site development plan for the reorganisation of secondary, post-16 and special needs education in the Bailiwick of Guernsey".
12. The States accepted the Education Council's view that there was a vital need to improve equality of educational opportunity by providing modernised facilities which would enhance teaching and learning, improve educational standards and demonstrate the Island's commitment to producing a highly skilled workforce to help it remain economically competitive.
13. An Options Appraisal report and a Strategic Review report were approved by the Advisory and Finance Committee in 2003. These documents contained the key Business Case elements:
 - the strategic context
 - service and project objectives
 - options appraisal
 - the preferred options
 - project delivery arrangements
 - employee and other issues.
14. The States continued to endorse the progression of the Education Development Plan Programme 1 projects through subsequent Policy Letters and States Reports in 2003, 2004 and 2005. The project consultants for the Les Beaucamps project

were tendered in May 2003 and selected in June 2003 in an open market competition. The firms were judged on price and quality based upon interviews and submissions.

15. In August 2004 the Treasury and Resources Department confirmed it had purchased land adjacent to the school to “*fully facilitate the planning and development of the new school to be situated at Les Beaucamps*”.
16. However, later in 2004 the plans for development of Phase A of the rebuilding project for Les Beaucamps were reluctantly deferred for a year by the Education Department because of the Treasury and Resources Department’s concerns about the affordability of commencing both the Les Nicolles Schools project and the Les Beaucamps project simultaneously in the light of the revisions to the Corporate Tax structure scheduled for 2008.
17. The Education Department agreed to defer its submission to the States for the rebuilding of Les Beaucamps until after the promised Capital Prioritisation debate in 2005.
18. In the event, an interim debate on capital prioritisation did not take place until October 2006 and the Les Beaucamps project was not included by the Treasury and Resources Department in the list of prioritised projects at that time.
19. £5 million was, however, approved by the States to allow the Education Development Plan Programme 1 projects to continue to be developed and this allowed the Les Beaucamps project to restart its design development programme.
20. A site option appraisal study completed in 2007 finalised where the new buildings should be located on the existing site and the Treasury and Resources Department approved funding to allow the project to be progressed to the detailed design stage (RIBA Stage D). A full set of Stage D documents have been prepared which are currently being reviewed by the Education Department.

Planning Permission

21. The Education Department has worked closely with the Planning Control Service in the Environment Department throughout the project. Approval was received from the Environment Department on 17th October, 2007 for the Education Department to proceed to Planning in Principle for its preferred siting option for the project on the extended Les Beaucamps site.
22. A Planning in Principle submission was made in October 2008 and a response is expected from the Environment Department early in 2009.

Strategic Priority Status

23. The Education Department has been awarded Priority 1 status following the Strategic Proposal Review process. Priority 1 projects are those “*recommended*”

for immediate inclusion in the States capital programme to be delivered to end-users in the short term, subject to the availability of funds” (Treasury and Resources Department: Code of Practice for construction related capital project prioritisation).

The need for rebuilding

24. Les Beaucamps is the oldest of the three secondary schools which were built after the Second World War. It was officially opened in 1959 and currently provides secondary education for the children of the Castel, St. Andrew’s and St. Martin’s parishes.
25. The school has done its best to overcome its poor facilities and is extremely highly regarded in the Island and especially in the parishes which send their children to the school. It achieves high levels of success for its pupils in terms of their academic achievement and their successful progression into further and higher education and employment. Inspection reports praise it highly for the standards it achieves and comment on the high parental satisfaction levels for the school, but note the numerous deficiencies in its accommodation and the inhibiting effect this has on the pupils’ learning.
26. The project is of the highest priority to the Education Department because the existing buildings do not satisfy asset management standards for condition, capacity and fitness for purpose. The buildings are **in very poor condition** and are failing to meet current standards for health, safety and disability compliance.
27. They are **no longer fit for purpose** to provide for the curriculum of the school and the required social, recreational and community sporting facilities.
28. They **do not provide the capacity** required for the increased number of pupils attending the school because of the reorganisation of secondary education and the raising of the school leaving age to 16.

Project Dimensions

29. The project will provide new buildings to a maximum gross internal area of 8570m² on the existing school site. It will comprise a school building, a separate sports facilities block, and external sporting, hard play and parking areas.
30. The school will be able to operate throughout the construction period because the new school buildings will be constructed on the school site to the west of the existing school building.

Procurement

31. Following consultation with States Property Services, the project will be procured using a two-stage design and build contract as a single project with three phases:

- new-build school building
 - demolition of existing school buildings
 - new-build sports hall, gym and swimming pool.
32. Because of the delay from the intended date for the Prioritisation debate of November 2008 to March 2009, the earliest the school buildings can be ready for use will now be September 2012. The sports facilities and external works would then be completed by May 2014. This programme is, of course, dependent on the outcome of the prioritisation process to be debated in March.

Cost

33. During 2008 anticipated inflation rates have significantly fallen resulting in the estimated total development cost decreasing by some £7 million. The current cost plan estimate for construction costs is £34.79 million.

Impact on the completion of Education Development Plan Programme 1

34. The Education Development Plan Programme 1, of which Les Beaucamps is a part, has two further rebuilding projects – La Mare de Carteret Schools and the College of Further Education.
35. As a consequence of the delay in the scheduling of these projects, refurbishment and relocation of existing facilities are necessary at La Mare de Carteret, St. Sampson's Secondary School and St. Peter Port Secondary School sites and maintenance costs are increased.
36. The St. Sampson's Secondary School site is currently being used to provide temporary additional facilities for the College of Further Education as a consequence of vacating its Grange Road and Longfield sites. These two sites have now been returned to the States. The buildings on St. Peter Port Secondary site will have to be used for the College of Further Education, until the new College buildings can be built adjoining the Phase 1 building, the Princess Royal Centre for the Performing Arts. A major refurbishment of these buildings will be necessary before the College can occupy them.
37. The projected date for completion of the remaining two new building projects is 2017, subject to affordability, but some further delay for the College of Further Education is anticipated.

Conclusions

38. The Education Department wishes the States to note:
- a) the continuing concerns about the inadequacy of the facilities for pupils and staff at Les Beaucamps High School and the Department's development of the project brief in response to the initial direction of the

States in 2001 to return to the States with proposals to develop three new High Schools

- b) that, following the States 2001 direction to develop three new High Schools, the States subsequently continued to support the progression of the plans for the High Schools as part of the Education Department's Education Development Plan Programme 1 through resolutions following Education Department policy letters and States reports submitted in 2002, 2003, 2004 and 2005. The States also confirmed their approval of the Education Department's development plans through their endorsement of the Department's objectives set out as Priority 9 of the 2007-2009 Government Business Plan.

Recommendations

39. The Education Department requests that the following proposition is debated under Rule 12(4) of the Rules of Procedure such that it is considered by the States without amendment.
40. Accordingly, the Education Department asks the States to note the contents of the report, and the conclusions above, and recommends the States:
 - to note that, subject to the Education Department's proposals being supported as a high priority by the States during the planned Capital Prioritisation debate, the Education Department will return to the States in April 2009 with detailed proposals for this capital project, including a recommendation for contractors to be appointed and a request for a capital vote to be established.

Main Report

1. The need for rebuilding: condition, capacity and fitness for purpose

- 1.1 The present provision of facilities at Les Beaucamps has major failings in the condition of the buildings, in their capacity to accommodate an increased number of pupils and in their fitness for purpose to meet the requirements of a modern curriculum and to be compliant with more stringent health, safety and disability standards. The pupils at Les Beaucamps and La Mare de Carteret are now at a clear educational disadvantage compared with the pupils in the new facilities at St. Sampson's High School.
- 1.2 Educational objectives as defined in the States resolutions and the Government Business Plan will be difficult to achieve if these issues are not addressed.

Condition

- 1.3 The Education Department has conducted a desktop survey using the 2003 condition surveys completed by King Sturge and its Estates Team's knowledge

of the buildings. Lovell Ozanne has been employed subsequently to give an independent assessment of the analysis.

- 1.4 Significant costs for maintenance will be needed to keep Les Beaucamps running for a further 10 years: a minimum of £4 million is required just for maintenance, excluding professional fees, contingencies, Disability Discrimination Act compliance, temporary accommodation, fitness for purpose and capacity requirements. In total around £5.5 million will be needed if these additional items are included.
- 1.5 The building requires a new roof, and the replacement of its glazing and hard surface external play areas. The elevations are in poor condition. The building services in the main are the original installations and in need of replacement.
- 1.6 Recently, for example, a large window fell out of a first floor classroom. The rivets holding it in place had rusted through, but the layers of paint covering the rivets had prevented the deterioration from being apparent. The weight of the window was such that it could easily have caused a fatal accident if anyone had been standing beneath it.
- 1.7 As a result, safety chains are now having to be fixed to over 280 windows and many windows are now not able to be opened, causing major ventilation and cooling problems.

Maintenance needs for Les Beaucamps

- 1.8 The table below sets out some of the high cost of essential maintenance needs:

Soft/hard landscaping: hard sports/play surfaces eroded beyond reasonable repair – a health and safety risk.	£60,000
Exterior (walls, cladding, windows etc.): rotten fascias and soffits. Gutters and downpipes need replacing. Spalling plaster. Windows beyond economic repair.	£835,000
Roofs: further replacements needed.	£200,000
Classroom teaching areas: carpets, walls, doors, softboard ceilings beyond acceptable replacement cycles.	£120,000
Mechanical: convector heaters, radiators and pipework at end of life.	£75,000
Electrical: new switchgear and incoming supply needed. Rewiring and lighting replacement required.	£150,000
Public Health: hot and cold pipework and drainage.	£100,000

Capacity

- 1.9 It is likely that pupils attending Forest Primary School will, in future, transfer at 11 to Les Beaucamps High School rather than La Mare de Carteret High School.
- 1.10 The headteachers of Les Beaucamps and La Mare de Carteret have provided net capacity assessments of the requirements for accommodation using the guidelines set by the Department for Children, Schools and Families.
- 1.11 The present schools should accommodate no more than 490 pupils at Les Beaucamps and 433 pupils at La Mare de Carteret. The projected estimated capacity need is for 660 pupils at Les Beaucamps High School and 600 pupils at La Mare de Carteret High School.

Fitness for purpose

- 1.12 Les Beaucamps High School no longer meets the requirements of the curriculum, for example in the provision of ICT, Design and Technology, Music and sports facilities. Many of the classrooms are too small to accommodate the technology used in today's lessons and the school hall is too small to accommodate the increased numbers. The raising of the school leaving age to 16 also requires new, more personalised learning facilities to be available.
- 1.13 The facilities for school lunches are not adequate – the school was built at a time when most children did not stay during the lunch-hour.
- 1.14 In the present buildings, none of the rooms below is fit for purpose:

Library	School Hall
Gym/Changing rooms	Science laboratories/Prep room
Music rooms	Art rooms
Dining room/canteen	Staff room
Staff toilets/offices	Reception
Workshops block	
- 1.15 In view of the specialised nature of the required spaces – music, design and technology, indoor sports facilities, science laboratories, drama and art facilities - as well as additional hall and dining area and toilet provision which are needed because of the increased numbers, temporary facilities would be difficult to provide.
- 1.16 Les Beaucamps is not Discrimination Disability Act compliant. Modern fire safety requirements for compartmentation or sprinklers cannot be met. It is not energy efficient and there is insufficient separation of play areas from the areas used for school buses and parents' dropping-off and collection points.

Impact on other maintenance requirements

- 1.17 The delay to the plans for Les Beaucamps has had a knock-on effect on the

longer term maintenance requirements for the remaining two Education Development Plan Programme 1 projects – La Mare de Carteret schools and the College of Further Education as well as for the maintenance of the existing buildings at Les Beaucamps.

- 1.18 The rebuilding programme for the remaining two Education Development Plan Programme 1 projects will be further delayed.
- 1.19 Maintenance plans to keep the College of Further Education and La Mare de Carteret schools operational for the next 10 years will total a further £8 million. This figure excludes the College of Further Education workshops block which requires early replacement as well as the exclusions listed in paragraph 1.4.
- 1.20 Planned preventative maintenance programmes for other Education properties will be delayed if maintenance funding and staff resourcing has to be applied to keeping the remaining Education Development Plan Programme 1 buildings open for longer.

2. The project's compliance with the strategic policy focuses of the States

- 2.1 Priority 9 of the 2007 Government Business Plan is: *to maximise the returns on investment in education provision.*
- 2.2 All the objectives in Priority 9 are designed to deliver best value improvements in the provision of facilities for teaching and learning:

- Level 1 objective: *“to consolidate and develop best value policies for education and lifelong learning which promote equality of educational opportunity and which are directed to ensure the best quality of education is obtained for the individual and for the community as a whole”*
- Level 2 objective: Equality of Opportunity – *“Develop the statutory structure of education in order to raise achievement standards and to provide equality of opportunity such that no student be denied access to education or lifelong learning through disability, disadvantage, or for financial reasons and so that their potential be maximised.”*
- The rebuilding of Les Beaucamps High School is part of the Level 3 objective: *“progress the remaining construction projects within the EDPI site development plan”* and *“complete the reorganisation of secondary education”*.

2.3 States Resolutions

- **Billet d'État VII (2001) The future organisation of secondary and tertiary education in the Bailiwick of Guernsey**

(by amendment) *“to instruct the 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 redevelopment.”

- **Billet d’État VI (2002) A site development plan for the reorganisation of secondary, post-16 and special needs education in the Bailiwick of Guernsey**

“1. To approve in principle the outlined proposals for the reorganisation of secondary, post-16 and special needs education in the Bailiwick of Guernsey.

“2. To approve in principle the States Education Council’s proposals for the relocation of education facilities, alterations to premises and construction of new buildings as set out in the site Development Plan.”

- **Billet d’État III (2003) Progressing the Education Development Plan : Phasing Programme 1 of the Plan....**

“1. To approve, subject to the final recommendations of the Strategic Review, the States Education Council’s proposals for the phasing of the building projects in Programme 1 of the Education Development Plan as set out in paragraphs 56-76 of the report.

“2.2 To vote the States Education Council a credit of £2,000,000 to cover the cost of formulating the initial planning for the individual elements of Phase 2 of Programme 1, such sum to be charged to the capital allocation of the States Education Council.

“5. To note that the States Education Council, in conjunction with the States Advisory and Finance Committee, and for planning purposes only, will work on the basis of a minimum of £15,000,000 per annum being made available from 2004 for the purposes of progressing the remaining phases of programme 1 of the Education Development Plan.”

- **Billet d’État II (2004) Progressing the Education Development Plan: 1. Programme 1 (Rebuilding) Funding and Phasing...**

“1. (2) To note that the Treasury and Resources Department will have due regard to the need to work on the basis of transferring annually from January 2005 to January 2008, subject to affordability and the availability of funds, the sum of £12,750,000 in January each year to the capital allocation of the Education Department for the purposes of completing Phases 1 and 2 of the Department rebuilding programme.”

- **Billet d’État II (2005) Reorganisation of Secondary Education Stage 1 : the building of Les Nicolles Secondary School and co-located**

Secondary Special School

In the body of the report the States were informed that, at the request of the Treasury and Resources Department, Education had agreed to defer its submission of plans for the Phase A rebuilding of Les Beaucamps High School.

3. Project History

Reorganisation of Secondary Education

3.1 In 1996 the States Education Council announced a thorough review of the structure of secondary and post-16 education as part of its Five Year Plan for surveying States education provision in Guernsey. An extensive review followed, incorporating a public questionnaire, independent reports and various policy letters.

3.2 The rebuilding programme was the result of reorganisation resolutions approved, following amendment, by the States in **May 2001**, when members considered the States Education Council policy letter on “*The Future of Secondary and Tertiary Education in the Bailiwick of Guernsey*”. The States directed the States Education Council to:

- *retain the Grammar School as an 11-18 school incorporating a Sixth Form Centre*
- *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 redevelopment*
- *report back to the States with proposals to develop an improved College of Further Education on its existing site or such alternative site as the Council considers appropriate, such proposals to include costs for the complete development*
- *raise the school leaving age to 16 by the beginning of the academic year 2008/9 or sooner if resources and curriculum arrangements permit.*

3.3 In **April 2002** the States considered the States Education Council follow-up policy letter *A Site Development Plan for the Reorganisation of Secondary, Post-16 and Special Needs Education in the Bailiwick of Guernsey*.

3.4 The Education Council identified three programmes for concurrent action:

Programme 1 – The Site Development Plan (rebuilding)

(the main focus of the policy letter)

Secondary, Post-16 and Special Needs

Programme 2 – The Site Development Plan (rationalisation, renovation and improvement)

Primary, Grammar, Education Department and Central Services

Programme 3 – The Development, Funding and Accountability of non-States Schools

Blanchelande Girls' College, The Ladies' College, Elizabeth College, Private Schools, Voluntary Schools

- 3.5 The Education Development Plan Programme 1 objectives defined the ten development projects on eight sites which would achieve the reorganisation of Secondary, Post-16 and Special Needs Education:
- new High School at Les Beaucamps
 - new High School at La Mare de Carteret
 - new High School on site in North of Island (replacing St. Sampson's Sec.)
 - new College of Further Education on St. Peter Port Secondary Site
 - new Sixth Form Centre adjacent to Grammar School buildings
 - replacement Primary School at La Mare de Carteret
 - creation of new St. Sampson's Primary School in refurbished St. Sampson's Secondary
 - new Special Needs Services and Primary School/Centre at Forest
 - new Special Needs Secondary School adjacent to North Secondary
 - new Emotional and Behavioural Difficulties Centre in refurbished Oakvale School.
- 3.6 **NB** Since 2002, the school population has fallen markedly and this has led to revision of the requirement for pupil places in the future. The Education Department has now taken the decision not to proceed with the establishment of a new Primary School at St. Sampson's and to reduce the capacity requirements for La Mare de Carteret High School and Les Beaucamps High School.
- 3.7 The Education Development Plan Programme 1 was recognised by the States as not just a series of construction projects, but as an interdependent complex reorganisation project, designed to transform educational achievement and provide greater equality of opportunity. The States Education Council noted the inherent risks in the programme of disturbance to pupils and staff during building works and risks to curriculum continuity.
- 3.8 In brief the outcomes of the development plan were:

- 4 secondary schools would become 3
- 3 special schools would become 2
- a new Social, Emotional and Behavioural Difficulties Centre would be created at Oakvale
- Services would relocate
- new partnerships would be established between Sixth Form Centre, College of Further Education and schools to deliver the curriculum
- transport routes would be changed
- there would be a large redeployment of staff
- pupil catchment areas would be redrawn and some pupils would have to change schools.

3.9 The States approved, inter alia, the following resolutions:

- *to approve in principle the outline proposals for the reorganisation of secondary, post-16 and special needs education in the Bailiwick of Guernsey*
- *to approve in principle the Council's proposals for the relocation of education facilities, alterations to premises and construction of new buildings as set out in its Site Development Plan.*

3.10 Following the April 2002 States approval for the reorganisation of secondary, post-16 and special needs education in Guernsey, the planning for the new secondary schools commenced. Working in conjunction with the Advisory and Finance Committee, an Option Appraisal report was produced in 2003 on the site objectives of the April 2002 policy letter, the specific basis of which was the construction of new buildings over a 10-year period.

3.11 The single phase was then developed into a phased solution to divide Education Development Plan Programme 1 into manageable and affordable phases which ensured the educational needs and demands could be met and that adequate facilities were available and able to be staffed effectively throughout the reorganisation process.

3.12 The phasing was designed to be flexible to enable bringing forward or deferring phases depending on availability of funds. An Education Development Plan Programme 1 Project Team was created as advised by the Estates Sub-Committee and as recommended in the Option Appraisal.

3.13 Policy objectives were amplified and the strategy developed:

Education Development Plan Programme 1 Objectives

To provide equality of educational opportunity within the Secondary, Special Needs and Post-16 Education sectors

Policy Objectives

Improved efficiency and effectiveness in the organisation of schools in these sectors, leading to better curriculum opportunities and better facilities for children and young people and providing appropriately for raising the school leaving age to 16 by 2008

Strategy: First Phase - to 2008

4 secondary schools to become 3

More facilities for College of Further Education and Grammar School Sixth Form students

Phase specific reorganisation for Special Needs pupils

Implementation

Building of Le Rondin School and Centre

Conversion of Oakvale to a Social Emotional and Behavioural Difficulties Centre

Building of Sixth Form Centre

Building of College Hall at future College of Further Education site

Building of Les Nicolles Secondary School and Les Nicolles Special School

Building of Phase A Facilities at Les Beaucamps

Use of vacated sites for central services pending Second Phase completion

Strategy: Phase 2 - to 2017

Complete the rebuilding of the 2 remaining secondary schools

Complete the rebuilding and relocation of College of Further Education and linked central services to St Peter Port Secondary site

Rebuild La Mare de Carteret Primary and create new St Sampson's Primary School

Implementation

Conversion of St Sampson's Secondary to a primary school and youth facility

Phase B (final) building works at Les Beaucamps Secondary

Rebuilding of La Mare de Carteret Primary and Secondary Schools

Phase B (final) building works for CFE at St Peter Port Secondary site

Return to States of some vacated sites

- 3.14 The Option Appraisal confirmed the Education Council's view that Education Development Plan Programme 1 could not be seen as a series of individual or divisible construction projects, but had to be planned as a complex reorganisation of education services for pupils and staff.

- 3.15 The Strategic Review report that followed in Spring 2003 analysed the philosophy, design, programme and cost implications of the programme in the light of detailed research and consultation.
- 3.16 The detailed design background was set out in the April 2002 policy letter. Since the end of 2002, along with the other Education Development Plan Programme 1 projects, the design of the secondary schools has been progressed in more detail.
- 3.17 Subsequent policy letters progressed the Education Development Plan Programme 1 and reflected amendments to the programming of the various projects due to revised funding allocations:
- a) **Billet d'État III February 2003**
Progressing the Education Development Plan: 1. Phasing Programme 1 of the Plan 2. The Forest Special Needs Centre 3. A Site for the North Schools
 - b) **Billet d'État II February 2004**
Progressing the Education Development Plan: 1. Programme 1 (Rebuilding) Funding and Phasing 2. Construction of Additional Post-16 Facilities
 - c) **Billet d'État II February 2005**
Reorganisation of Secondary Education Stage 1: The Building of Les Nicolles Secondary School and Co-Located Secondary Special School: Revised Design, Programme and Cost.
- a) **Billet d'État III February 2003**
Progressing the Education Development Plan: 1. Phasing Programme 1 of the Plan 2. The Forest Special Needs Centre 3. A Site for the North Schools
- 3.18 At its meeting held on **26th February, 2003**, the States resolved to approve, subject to the final recommendations of the Strategic Review, the Education Council's proposals for the phasing for the building projects in Programme 1 of the Education Development Plan. The States also resolved to authorise the Education Council to proceed with Phase One of the rebuilding programme, subject to the States' approval of individual projects.
- 3.19 The States agreed, inter alia, *to approve the use of Les Nicolles Vinery site by the States Education Council for the construction of a new secondary school and a new Special Needs secondary school.*
- 3.20 The States also agreed to progress the plan by authorising the Advisory and Finance Committee to transfer a sum of £32 million from the Capital Reserve to the capital allocation of the States Education Council for that purpose. An

additional £2 million was added to the £4 million previously allocated in April 2002 to cover the initial planning costs of Phases One and Two of the programme.

- 3.21 The States agreed to note that, for planning purposes only, the States Education Council, in conjunction with the Advisory and Finance Committee, would work on the basis of a minimum of £15 million per annum being made available from 2004 for the purposes of progressing the remaining phases of Programme 1 (the secondary, post-16 and Special Needs rebuilding programme) of the Education Development Plan.
- 3.22 The States Education Council emphasised in the February 2003 policy letter that the phasing proposals it laid before the States had been designed to ensure that throughout the phases of the plan the educational needs and demands of the Island would continue to be met, and that adequate facilities would be available at all times and able to be staffed appropriately.
- 3.23 The States Education Council also assured the States that it recognised the need to design the phasing programme to be flexible, so that the phasing could be brought forward or deferred depending on the availability of funds and so that any individual project that was being progressed had the ability to be suspended at three key stages:
 - Project initiation
 - Stage D (budget approval and planning drawings)
 - Construction Contract (financial close).

b) Billet d'État II February 2004
Progressing the Education Development Plan: 1. Programme 1 (Rebuilding) Funding and Phasing 2. Construction of Additional Post-16 Facilities

- 3.24 In **February 2004** the States considered the States Education Council follow-up policy letter *Progressing the Education Development Plan: Programme 1 (Rebuilding) Funding and Phasing and Construction of Additional Post-16 Facilities*. The States approved, inter alia, the following resolutions:
 - *To transfer the sum of £12,750,000 from the Capital Reserve to the capital allocation of the States Education Council for the purposes of continuing Phases One and Two of the Council rebuilding programme (Programme 1)*
 - *To note that the Treasury and Resources Department will have due regard to the need to work on the basis of transferring annually from January 2005 to January 2008, subject to the affordability and availability of funds, the sum of £12,750,000 in January each year to the capital allocation of the Education Department for the purposes of*

completing Phases One and Two of the Department rebuilding programme (Programme 1).

The States Education Council stated that:

- *by using the remaining balance of capital allocation together with future annual allocations of £12.75 million to achieve the Phase One and Two projects, the Council would be able to meet the immediate strategic education objectives of:*
 - a. *the raising of the school leaving age to 16 by 2008/9*
 - b. *reorganising Special Needs Education*
 - c. *addressing the critical post-16 shortage of accommodation problems at the College of Further Education and Grammar School.*

It noted, however, that these objectives would have to be achieved partly through temporary works on the Les Beaucamps, La Mare de Carteret and St. Peter Port Secondary sites pending the completion of the remaining Phases Three to Five.

The funding and programming of Phases Three to Five could be reviewed towards the end of Phase Two and, depending on the financial position of the States, decisions could then be taken.

3.25 Phases 1 and 2 would achieve the following Education objectives:

- address the critical Post-16 capacity shortage of accommodation at the College of Further Education and Grammar School
- enable the closure of St. Peter Port Secondary School to facilitate secondary education to reorganise from four to three sites, permitting the raising of the school leaving age to 16 for the school year 2008/9
- commence the reorganisation, modernisation and improvement of the College of Further Education
- complete the Special Educational Needs reorganisation.

3.26 The Education Department had originally intended the rebuilding of Les Beaucamps School to commence in 2003 as a 2-phase project.

3.27 It was proposed as part of the February 2004 States Policy Letter: “**Progressing the Education Development Plan: 1. Programme 1 (Rebuilding) Funding and Phasing 2. Construction of Additional Post-16 Facilities**”

The **Phase A** project was to provide a Sports Hall and 8 classrooms.

A subsequent **Phase B** project would complete the rebuilding of the rest of the school and provide community use sports facilities and new parking and playground spaces.

A design team was appointed and developed the design to RIBA Stage C.

- 3.28 Consultations were held with the Planning Section of the Environment Department, the School Committee, the staff of the School and the Castel Douzaine on options for locating the buildings on the site.
- 3.29 A Visual Impact and Skyline Survey was commissioned and 5 location options for the site were submitted to the Environment Department in a Formal Planning Consultation Report.
- 3.30 Adjacent land was purchased by the Treasury and Resources Department on behalf of the States in July 2004 in preparation for the rebuilding of Les Beaucamps School.
- 3.31 A Formal Planning Consultation Report was prepared for the Environment Department. Some reservations were expressed by both the planners and the Douzaine about the preferred site location options, largely because of visual impact concerns to do with the siting of the buildings on the brow of the escarpment.
- 3.32 During this period, the Education Department considered again the siting for the new school and whether it should revisit again the issue of replacing Les Beaucamps and La Mare de Carteret Schools with one or two schools. The former Education Council and the Education Department Board had consistently rejected the suggestion of one 1000 plus 11-16 school.
- 3.33 However, the former Advisory and Finance Committee had commissioned consultants Cambridge Projects Ltd. to review Education's proposals. There was strong opposition from the teaching force, parents and school committees to the consultants' suggestion that the two schools could be combined.
- 3.34 This opposition was on the grounds that the larger school which would be created (approximately 1200 11-16 pupils) would:
 - be impossible to locate because of the size of facilities which would be required
 - be regarded as less attractive to pupils and staff because of being disproportionate in relation to the rest of the educational institutions in the Island

- be regarded as likely to increase the risk of disruptive behaviour
 - create further transport difficulties in moving pupils from a larger area of the Island
 - be regarded as educationally unwise in view of the trend in the UK to create smaller school units.
- 3.35 The Department had explored the options for a different site for Les Beaucamps during the Option Appraisal and Strategic Review process in 2003.
- 3.36 It was considered that relocation to a different site would be inappropriate for the following reasons:
- there would be no justification in adding to project costs by requiring the purchase of a new site, nor for adding new buildings in areas covered by the rural area plan
 - it would be likely that there would be additional costs for ground works, services provision, and possible road network changes. It was also noted that a secondary school would require not just land for the buildings, but would need to be of sufficiently level topography to provide for the external sports facilities which a secondary school would be expected to have.
- 3.37 The Education Department covered these aspects in depth in the lead-up to the 2004 February debate and the States overwhelmingly endorsed again the principles for the reorganisation which had been set out in 2002.
- c) **Billet d'État II February 2005**
Reorganisation of Secondary Education Stage 1: The Building of Les Nicolles Secondary School and Co-Located Secondary Special School: Revised Design, Programme and Cost.
- 3.38 Following discussions with the Treasury and Resources Department about the affordability of the States decision in April 2004 to allocate £12.5 million a year to progressing the Education Development Plan Programme 1, the Education Department agreed to defer its plans for Les Beaucamps and stood down its design team.
- 3.39 In the States Report, the Education Department confirmed its decision to defer the Les Beaucamps project and explained it was based on advice from the Treasury and Resources Department that the Capital Prioritisation Debate would take place later in 2005.

“In August 2004, after considering a Commerce and Employment Department update of the local construction industry economic model for various phasing options of Les Nicolles and Les Beaucamps Phase A

building projects, it was agreed with the Treasury and Resources Department to defer some of the programme and progress on the basis of completion of Les Nicolles in 2007 and Les Beaucamps in 2008.

“The Education Department understands that the States might wish to consider the projects at Les Nicolles and Les Beaucamps separately in view of the many demands on its resources, and, therefore, brings the Les Nicolles project forward for States approval at this time. The Les Beaucamps project approvals will be placed before the States later in 2005 after prioritisation of the States’ capital projects is undertaken.”

- 3.40 Correspondence from the Treasury and Resources Department at this time and subsequent discussions indicated that the completion of Phase A was likely to be changed by one year to September 2008 and that completion of Phase B was likely to be extended by two years to September 2011.
- 3.41 In the event the first Prioritisation debate was not brought to the States by the Treasury and Resources Department until October 2006 and Phase A was not included by the Treasury and Resources Department in the projects to be immediately progressed.
- 3.42 The continuing delay to the Prioritisation debate gave the Education Department the opportunity to review its programme for rebuilding Les Beaucamps as well as concentrating on progressing the early projects in Education Development Plan Programme 1. Le Rondin Special School and Centre was completed in September 2005 along with the Sixth Form Centre at the Grammar School. In November 2006 the Princess Royal Centre for the Performing Arts was opened.

4. Development of revised plans for Les Beaucamps High School 2005-2008

Secondary Reorganisation Advisory Group

- 4.1 After the construction contract for the two schools as Les Nicolles had been let and construction had started in July 2006, the Education Department established a Secondary Reorganisation Advisory Group of headteachers and officers which set up task groups to complete the reorganisation.
- 4.2 Implicit in the process was the recognition that the successful completion of Secondary Reorganisation was dependent on decisions being taken on the future structure of primary education in the Bailiwick and that a review of pupil number projections and changing curriculum requirements should be undertaken.
- 4.3 The first of these task groups had the mandate to review progress to date on the Education Development Plan and produce recommendations on the provision of schools in the maintained primary and secondary sectors over the next 25 years, confirming number, size, character, location and catchment.

4.4

Data Collection and Analysis of Work

- To produce school age population projections for the next 25 years
- To project school age population projections for the States Maintained Primary, Secondary, Special Needs sectors and for the Non-States maintained sectors over the next 25 years
- To determine the capacity requirements for the Maintained Primary Sector over the next 25 years.

4.5

Analysis of WorkTo recommend:-

- the future number, location, size and character of Maintained Primary Sector schools over the next 25 years and to produce a cost analysis
- revised catchment areas for the Maintained Primary sector schools
- the capacity requirements for the Maintained Secondary sector over the next 25 years
- the future size (capacity) of Les Beaucamps and La Mare de Carteret
- whether feeder primary schools should feed one High School only
- the feeder primary schools for each of the three High Schools.

4.6 During the period the task group was working, the States held its first Capital Prioritisation debate in October 2006.

4.7 Although the Treasury and Resources Department's Capital Prioritisation States Report focused on prioritising projects for construction other than the Education Development Plan, £5 million was awarded for the purpose of progressing the Education Development Plan projects.

4.8 The Education Department, in discussion and correspondence with the Treasury and Resources Department, had identified that the allocation would be used to:

- complete St. Sampson's High School and Le Murier School
- develop Oakvale Special School as a Social Emotional and Behavioural Difficulties Centre
- refurbish St. Peter Port Secondary School buildings as a temporary College of Further Education site (Phase B)

- continue the design development of Les Beaucamps and La Mare de Carteret High Schools
- continue the masterplanning of the new College of Further Education on the St Peter Port School site.

- 4.9 During the States meeting, the Education Board reaffirmed its prioritisation of the Les Beaucamps High School project as its next major capital project, renewing its 2003 decision to progress Les Beaucamps as the second of the High Schools to be rebuilt.
- 4.10 It became clear from many States members' speeches that Les Beaucamps was favoured as the next of the Education Development Plan projects to be progressed. The Education Department has, therefore, worked on the achievement of these objectives.
- 4.11 After the Capital Prioritisation debate, the Department recommenced its planning for Les Beaucamps. The original architects, Design Engine, were briefed to produce an option appraisal for the site, drawing on the work completed in 2003-2004, with an awareness of the reservations expressed about the visual impact of the proposed buildings and in the light of three factors which had changed since the original design brief had been given in 2003. These factors were:

1. Capacity Projections

The Group A task group had revised the 25 year pupil projections estimates in the light of more recent live birth data.

It had also redefined the catchment area for the schools on the basis of rationalisation of pupil places in the primary sector.

This led to a recommendation **that Les Beaucamps should revise its pupil capacity downwards from a maximum capacity of 720 pupils to 660 pupils.**

This would result in 5 year groups each of 132 pupils, with a 5 or 6 form entry in each year. It was anticipated this would allow enough surplus capacity (approximately 10%) to provide for future catchment area fluctuations, possible changes in immigration policies and changes in school area standards.

It was also recognised that before the design brief stage for La Mare de Carteret, a further pupil projections analysis would need to be carried out which might result in a smaller school of a maximum of 600 pupils and with a 5 form entry in each year group.

2. Area Brief

In 2005 the Education Department and the Treasury and Resources Department had jointly commissioned an independent Area Review: The Education Expert Review of Guernsey Benchmark Area Standards for Secondary Schools to establish ***“reasonable benchmark guidelines on space standards to be employed by Guernsey for the secondary schools”***.

The panel concluded:

“....The expert panel has accepted the concept of a Guernsey ‘factor’ over the BB98 recommended areas....”

“... we do accept that a Guernsey school does need to be somewhat larger than a comparative UK school to meet the Education Department’s well defined aspirations.

“In our view a ‘factor’ of some 16% over BB98 area recommendations (excluding community facilities and the swimming pool) should be sufficient to meet these aspirations.”

The Education Department used these amended Building Bulletin 98 area guidelines to review the plans for the new St. Sampson’s High School and the revised design for the school moved into construction in July 2006.

- 4.12 The Education Department briefed Design Engine with the revised area guidelines and space requirements, using the area schedule drawn up for St Sampson’s High School, amended to reflect the reduced numbers, and with the advice of the Senior Management Team of the Les Beaucamps School on its school curriculum and organisation.
- 4.13 The design team also took into account revised guidelines from the Department for Children Schools and Families which had emerged from research on the first waves of schools being built in England in the Building Schools for the Future programme. New Department for Children School and Families guidelines have now been published on standard specifications, layouts and dimensions. The Department for Children Schools and Families has acknowledged the widespread criticism of its area guidelines as not being fit for purpose and has emphasised their use as **minimum** standards to be applied.
- 4.14 The design team also noted new guidance from the Commission for Architecture and the Built Environment (CABE) regarding good school design and has applied the Design Quality Indicator evaluation criteria of Build Quality, Functionality and Impact in the planning. The team drew on the guidance given in the area guidelines bulletins relating to special consideration needing to be

given if the topography of the site demanded it, or if community use facilities were to be provided.

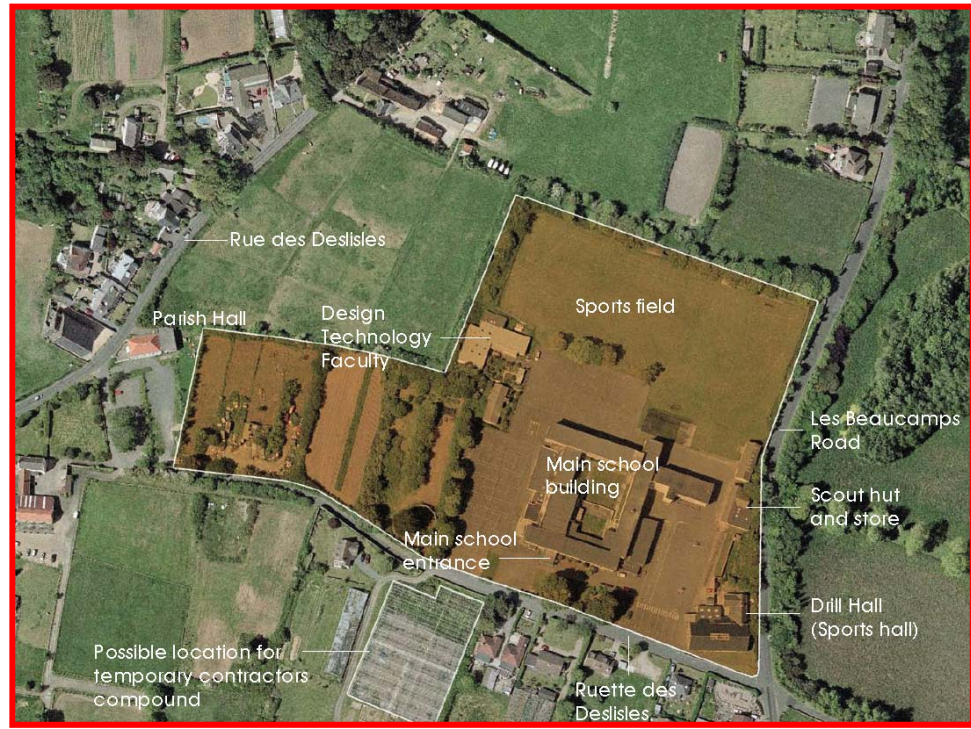
- 4.15 The revised brief was reduced from 10,729m² in 2004 to 8,750m², a reduction of 20%.

3. A single phase Project

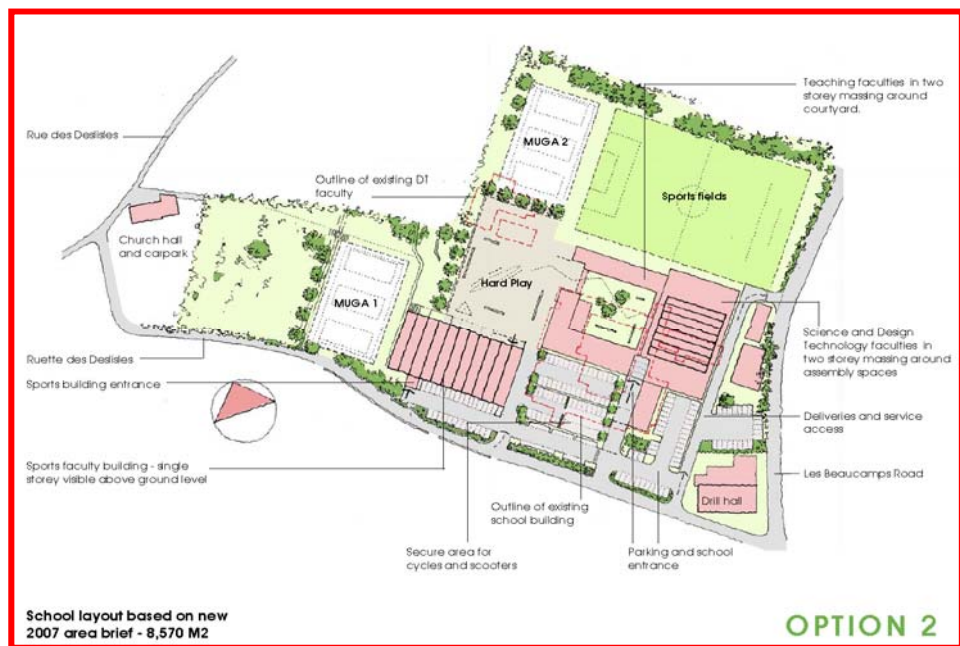
- 4.16 When the plans for Les Beaucamps were first advanced in 2003, the pupil projections indicated there would be an immediate need for additional accommodation when St. Peter Port School closed. This would have required the first phase of the buildings to have been constructed concurrently with the buildings on the Les Nicolles site.
- 4.17 It was also recognised that the States did not have the resources to fund two projects at the same time and that the Education Department would not have the staffing capacity to manage two major constructions simultaneously.
- 4.18 The disadvantages of proposing a 2 phase solution were that the period of disruption to the school would be significantly extended; the school would continue to be in accommodation which was no longer fit for purpose for a longer period of time; the project costs were expected to be significantly higher because of the inflation, supply chain and contractual implications of a 2 phase project; the design of the buildings would be constrained by the need to keep the old buildings in use alongside the new accommodation, and the maintenance and energy costs would continue to escalate.
- 4.19 With a reduced area requirement and the reduced numbers, it was now feasible to look to continue to occupy the existing school for a temporary period without the immediate need for temporary accommodation to be brought to the site and for the buildings to be constructed as a single phase project with consequent savings in construction costs.
- 4.20 At the end of 2006, the Board asked Design Engine to prepare site location options which reflected these revised factors and also commissioned the original quantity surveyors for the project, Gardiner and Theobald, to prepare cost options for each of the site location options.
- 4.21 Cost options were prepared on the basis of:
- the area schedule
 - current cost information from the Les Nicolles Schools project
 - earlier site knowledge.
- 4.22 Working in close consultation with senior officers of the Education Department, and after staff level meetings with the Environment Department, school staff,

and the Education Board, Design Engine produced four site location options, with indicative massing and sketch elevations.

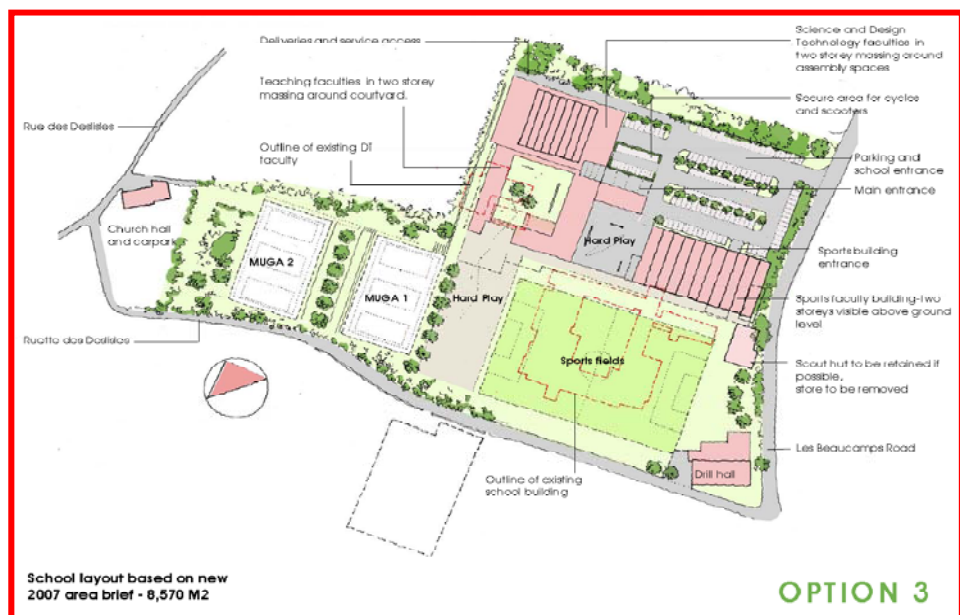
5. Site Location Options



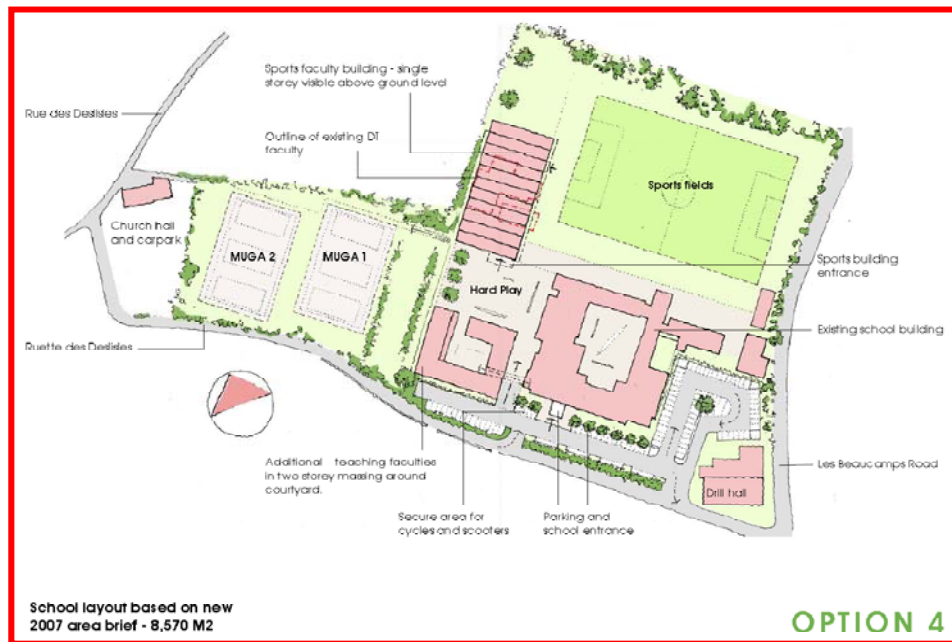
- 5.1 **Option 2** would require the closure and demolition of the existing buildings before the new school could be constructed. Although it would have been possible to relocate the school to the empty St. Sampson's Secondary site from 2009 onwards, there would be considerable difficulties and additional cost in moving a school community to a temporary base in a newly vacated school. St. Sampson's Secondary site is now being used to provide additional accommodation for the College of Further Education.



- 5.2 **Option 3** would mean the loss of Design and Technology facilities and most sports facilities for up to two years as well as potentially causing considerable health and safety concerns during the construction period. It would also have the most visible skyline impact of the options.



- 5.3 **Option 4** would be a refurbishment and extensions option which, as well as being more expensive, would also necessitate the closure of the school for extended periods and still cause functionality problems because of the small size of some of the internal spaces.



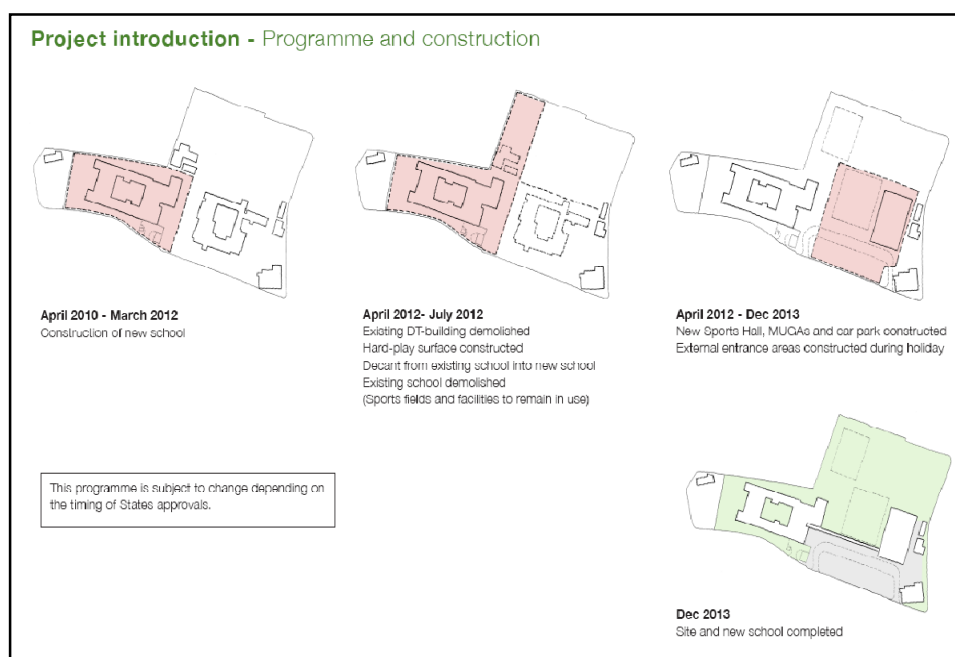
- 5.4 **Option 1** is the preferred option and this has been confirmed by the Education Board, the school committee and the staff of the school. It provides an efficient use of the site, with the new buildings being constructed down the slope to the west of the existing buildings which, with the existing sports facilities, will remain in use throughout the construction period.
- 5.5 The additional new indoor and outdoor sports facilities and increased parking and hard play areas can then replace the demolished original school buildings.



- 5.6 This preferred design improves on the 2004 design by moving the Sports Hall building away from the brow of the escarpment, so reducing the visual impact of the design. It also separates the community use sports facilities away from the school and provides adjacent parking facilities.

6. Construction Phasing

- 6.1 An indicative construction phasing is shown below.



- 6.2 **NB** The delay to the Capital Prioritisation Debate to March 2009 means that the completion date for the project is now five months later than shown.
- 6.3 The results of the Options Appraisal were considered by the Education Board, the Treasury and Resources Department, the Environment Department, the headteacher and staff of the school, the School Committee and the Castel Douzaine. All supported the preferred option.
- 6.4 The preferred option, for a single phase, 660 pupil school based on Building Bulletin 98 guidelines as amended by the Les Nicolles Review Panel, was given approval by the Environment Department to proceed to a Planning in Principle submission.

7. Stage D Design

- 7.1 In January 2007, the Treasury and Resources Department approved the release of funds to allow the re-appointment of the original design team listed below to work in conjunction with the States Education Department to progress the revised proposals to the detailed design stage, RIBA Stage D. (This equates broadly with GC Works stage 2.) The project consultants were originally

tendered in May 2003 and selected in June 2003 in an open market competition. The firms were judged on price and quality, based on interviews and submissions in accordance with States guidelines.

Architect: Design Engine
Quantity Surveyor: Gardiner and Theobald
Landscape Architect: Plincke Landscape
Structural Engineer: Peter Brett Associates
Mechanical and Electrical Consultant: Hoare Lea
Acoustic Consultant: Hoare Lea
Traffic Consultant: ARUP
Fire Consultant: Safe
Client Representative: King Sturge

- 7.2 The use of Hoare Lea to fulfil the role of environmental consultant was key to the architectural solution. A strategic overview of the environmental design, with emphasis on sustainability, was given which formed the massing, section, materials and envelope of the school. The architects were supported in developing an architectural language for the elevations in specifying how the facades needed to perform in terms of:

- natural ventilation
- day lighting
- orientation
- solar gain heat loss
- acoustic separation of teaching spaces with reference to faculty arrangement and natural ventilation.

- 7.3 Design development to this stage was necessary to provide the detail requested by the Environment Department for the Planning in Principle submission. The Education Development Plan Programme 1 Client Representative, King Sturge, took an enhanced role for this design stage in order to coordinate and be contract administrator for the design team.

- 7.4 The Stage D report which has now been completed comprises the following documentation:

Architects Stage D Report
 Landscape Masterplan
 Building Services Stage D Report
 External Building Fabric Assessment Acoustic Report
 Highways and Transport Stage D Report
 Structural and Civil Engineering Stage Design Report.

- 7.5 During this period there has been wide involvement with the staff and pupils of the school in the development of the design, and the Design Quality Indicator for Schools has been used to help clarify and record the design aspirations for the project.

8. Planning Approvals

- 8.1 The Education Department has received support throughout from the Planning Control Section of the Environment Department and received approval from the Environment Department on 17th October, 2007 for it to proceed to Planning in Principle for the preferred option for the project.
- 8.2 Since then, two further meetings have been held at staff level with the Environment Department and the architects to discuss the design.
- 8.3 The Planning in Principle submission has required the preparation of:
- Site location plans and block plans
 - Floor plans and elevations at 1:100 scale
 - Sketches – 3D views
 - Rural area plan – Annex 4 – Planning and design statement
 - Photomontages from various viewpoints and cross sections through the site
 - Comprehensive landscaping proposals
 - Detailed proposals for external materials.
- 8.4 Meetings have been held to outline the plans with the Douzaines of the feeder parishes for the school, the School Committee, representatives of Deslisle Methodist Church, which is adjacent to the site, the PTA, the school staff and with the pupils of the school.
- 8.5 A display of the Planning in Principle proposals was mounted in the school for pupils, staff and parents and subsequently in the Castel Douzaine rooms and the Guille-Allès Library. Neighbours were sent letters advising them of the displays.
- 8.6 The formal Planning in Principle submission was made at the end of October 2008 and a decision is expected from the Environment Department by the end of January 2009. Copies of the Planning submission are available to view from the Education Department.
- 8.7 To date, the building design has been developed to Detailed Design stage (RIBA Stage D). The internal and external design layout has been progressed in response to the specific functional requirements, adjacencies and circulation

flows and in response to the need to reconcile the environmental, educational and cost considerations to achieve the best value scheme.

9. Design Development to RIBA Stage D

Buildings and other features to be retained

- 9.1 The Education Department intends to retain the Drill hall and Scout Hut for further and continued use by the community. The Caretaker's House and Militia Hut Store will also be retained by the school to serve the new building. The World War 2 bunker will remain unaltered. The sports field will be retained as the main external sports facility on the site.

Form and scale of the surrounding buildings

- 9.2 There are three general types to the form and scale of the buildings on and around the site and these have influenced the design of the new buildings.

School buildings - up to two high floors with mono pitch roofs. This is a linear building form with stepped massing and ribbon windows.

Hall buildings - the Methodist Church, Parish hall and Drill Hall all contain large spaces for assembly. They have pitched roofs of between 30 and 40 degrees with strong frontages defining the entrances. They range in height to contain one and a half and two storey volumes. Windows have deep reveals within the thick walls.

Residential Buildings - the surrounding residential buildings have pitched roofs and are between one and two storeys. Generally the upper floors are within the roof volumes lit by dormer windows. Chimneys are prominent on the older dwellings.

Form and Layout - Plan

- 9.3 As well as providing teaching spaces of the appropriate size for modern learning, a compact plan form has been achieved, that provides natural light within upper and lower circulation routes and avoids dead end corridors where anti-social behaviour is likely to occur. General teaching accommodation is arranged around a central courtyard cloister along a stepped section. This takes advantage of the reduced circulation inherent in a courtyard scheme, allowing more space to be allocated to assembly and teaching spaces. Reception and assembly spaces are positioned at the top of the site and specialist teaching spaces at the bottom.
- 9.4 A decision was made early on in the design process to separate the internal Sports facilities from the main building. This was to reduce the amount of accommodation visible on the break of slope by relocating some of the large hall volumes to the back of the site. It also allows for the sports facilities to operate

independently of the main school building for community use. The sports building is based on a very efficient plan developed to reduce circulation space, maximise teaching area and reduce volume.

- 9.5 A covered walkway links the sports building with the main school. This simple structure has the following functions:
1. it provides cover for cycles
 2. a shelter for those waiting for buses or pick up
 3. a secure line across the front of the school
 4. a covered route between the two buildings.

Form and Layout - Site Massing Strategy

- 9.6 The design team has sought to follow the natural contours of the sloping site with stepped two storey volumes that are in sympathy with the scale of the surrounding buildings. The limit to two storey volumes also removes concerns about overlooking. A number of roof pitches were explored, but this has been set at 40 degrees as it has empathy with the surrounding buildings, especially the Methodist Church, Parish hall and residential buildings. The steps in section have had to fulfil an efficient horizontal and vertical circulation pattern whilst sitting comfortably against the slope. The section has also developed to reduce the visual impact of the building at the break of slope.

Provision of amenity space

- 9.7 It is intended that the new Sports Building and its facilities are made available to the local community outside the normal school working hours. Facilities include a 4-lane pool, gymnasium and sports hall, with associated indoor and outdoor changing. Some external sports facilities including the synthetic pitch and tennis courts, will also be available for use by the local community outside of the normal school hours. The Drill Hall is currently used as a gymnasium by the school. This building will also be available for use by the local community once the new sports building is operational.

Residential amenity (Overlooking, Overshadowing, Noise)

- 9.8 As residential properties adjacent to the boundary are on the southern and western side of the school site, there are no issues regarding overshadowing. It will be important to maintain and strengthen the boundaries to the south and west of the school to avoid any overlooking issues. The large granite wall on the southern boundary forms a high barrier along this roadside edge. As with the existing school buildings, nuisance from noise will need to comply with stringent requirements in order to protect the residential amenity.

Protection of neighbours' amenity – Acoustics

- 9.9 Central to the energy conservation and carbon emissions reduction strategy is the provision of air cooled heat pumps to provide heating for the school and sports hall buildings). As the site is currently very quiet (particularly at night), particular effort has been expended to determine the optimal location and acoustic treatment of the heat pump units to ensure the current site noise levels are not compromised.

Visual Impact - Building Design

- 9.10 In August 2003 the Cooper Partnership carried out a Visual and Skyline Assessment on behalf of the States of Guernsey Education Department for the Les Beaucamps site. This report recommended the eastern end of the site as the preferred building location. The new sports building will occupy this location.
- 9.11 The site option studies completed in October 2007 identified the sloping site as a suitable location for the new school building. This fulfilled the educational brief, maximised available external sports facilities and allowed the existing school to remain on site during the construction process. The Visual and Skyline Assessment had identified this site as the alternative location provided that the building was terraced down the contours with special attention given to the visual impact.
- 9.12 The Environment Department has requested photo montages of the proposals so that the visual impact can be properly evaluated. Photo montages have been generated by superimposing a scale computer model into a photograph. To make a realistic comparison with the human eye the photographs have been taken with a 50mm focal length lens. This has parity with the images produced in the Visual and Skyline Assessment undertaken by the Cooper Partnership in August 2003. The montage images are as accurate as possible using conventional photography and computer modelling. (For the purpose of the Planning in Principle submission, the level of modelling was not extended to the production of legally verified images owing to the high cost of commissioning such visualisations.)

Landscape character

- 9.13 An ecological scoping report was carried out in 2003. The report summarised that the school grounds contain a variety of non-native vegetation with some native species particularly along the boundaries and within the orchard area to the west. The survey summarised that there is little evidence of significant ecological value on the site for both flora and fauna.
- 9.14 The landscape masterplan has endeavoured to retain as many mature trees on the boundaries and within the school field as possible, with the boundaries positively enhanced with native shrub, perennial and tree planting.

Materials - Building Design Overview

- 9.15 In selecting materials and colours for the proposed school, robustness and life time costings have been considered, as well as the contextual and aesthetic issues. This supports the Environment Department's commitment to achieving a school with a very high standard of design and exterior appearance.
- 9.16 In summary, the following criteria have influenced the choice of materials for the project:
- 1. the colours and textures within the materials found in and around the site**
 - 2. the colours of natural materials, in particular granites indigenous to the Island regions**
 - 3. robustness, life time costing and the ability of materials to weather**
 - 4. a desire where possible to use modern methods of construction to reduce cost and risk**
 - 5. the supply and procurement of materials to the Island.**
- 9.17 Throughout the design process, the life time costings of the new school have been carefully considered. Reducing life time costing will allow funds to be used elsewhere to benefit education. The ability of external materials to weather has also been an important factor in parallel with the ability to carry out routine maintenance safely and economically. In practice, if buildings prove to be too expensive and difficult to maintain routinely, then the maintenance regime will eventually be relaxed and the building will soon become unsightly. The Education Department has the responsibility to direct funding into education by reducing the life time costings of the buildings.
- 9.18 In general, materials have been selected that:
- 1. weather naturally**
 - 2. have a long life with limited maintenance.**
 - 3. are robust and durable.**
 - 4. allow appropriate elegant solutions and aesthetic control.**
- 9.19 The supply of materials to the Island has been discussed with manufacturers, to ensure that they can be procured practically and economically. When a main contractor is able to be selected, the Department will review this in more detail.

10. **Sustainability**

BREEAM - Energy Use, Health and Wellbeing

- 10.1 The sustainable design features proposed for the new Les Beaucamps School and Sports Hall development are outlined by reference to a **BREEAM** (Building Research Establishment Environmental Assessment Method) pre-assessment which has been undertaken for the project. This has indicated that a score of 'Very Good' is achievable within the constraints of the current proposed design. The BREEAM assessment has been tailored to suit Guernsey in that points are awarded for compliance against energy regulations in force on Guernsey- i.e. Building Regulations Part L 2002. Key design features assessed in the BREEAM assessment are as follows:

Energy use, Health and Wellbeing

- 10.1.1 The environmental design for the building in terms of reducing carbon emissions follows the widely accepted three principles of sustainable energy use:
- firstly: use less energy (be lean) (typically associated with the building fabric and orientation)
 - secondly: supply energy efficiently (be clean) (typically associated with the building mechanical & electrical systems)
 - thirdly: use renewable energy (be green) (typically associated with the building renewable energy measures).

Energy Consumption and the internal environment

- 10.1.2 Attention has been paid to the overall design of the buildings to minimise energy consumption and improve the internal environment within the school. Building orientation and features have been optimised as follows:
- the school building is naturally ventilated wherever possible, with mechanical ventilation provided to technical classrooms such as workshops and the food room. Generally speaking this will provide the lowest energy use environmental solution
 - classrooms incorporate exposed concrete soffits to limit summertime overheating and improve heat retention in the winter. The top floor classrooms incorporate high pitched roofs which will also improve air circulation in the summer
 - natural ventilation is facilitated with chimneys at the rear of each classroom. These allow opening areas of perimeter windows to be reduced during summertime operation and allow more effective ventilation of deeper plan areas at the back of rooms

- classroom windows are provided up to the slab soffit to promote daylight as deep as possible into the classrooms
- wherever possible within the building form, daylighting to the rear of classrooms is provided to promote even daylighting and reduce artificial lighting use
- horizontal shading is provided to south facing classroom windows. This reduces solar penetration into the classrooms and in turn reduces summertime overheating and in turn negates the need for comfort cooling
- the large west facing glazed wall of the dining area and west facing glazing of technical classrooms will incorporate roof overhangs and some vertical shading to limit solar penetration. However, in double height, non-teaching spaces some solar penetration is beneficial in terms of visual delight
- all staff admin rooms and toilets will incorporate external windows wherever possible (for daylighting and natural ventilation)
- the sports hall will incorporate horizontal roof lights to promote even natural daylighting which in turn will greatly reduce the use of artificial lighting.

Mechanical and Electrical Systems - Heat Source and Cooling Provision

10.1.3 Electricity in Guernsey is sourced mainly from France and is generated predominantly from nuclear power stations. The carbon emissions per unit of electricity energy are, therefore, low compared to carbon emissions per unit of gas energy. As such, air cooled heat pumps are proposed for heating the new school and sports hall buildings. The school building has been assessed against Building Regulations Part L 2002 using Guernsey electricity carbon emission factors (to allow for the beneficial effect of French nuclear energy generation) and the provision of air cooled heat pumps for heating of the school. This assessment has indicated that the school building carbon emissions will better part L 2002 requirements by 32%.

Mechanical and Electrical Systems - Ventilation and Heat Recovery

10.1.4 The school will be naturally ventilated wherever possible, with mechanical ventilation provided to technical classrooms such as workshops and the food room. Generally speaking this will provide the lowest energy use environmental solution. Natural ventilation is facilitated with chimneys for each classroom. These allow opening areas of perimeter windows to be reduced during summertime operation and allow more effective ventilation of deeper plan areas at the back of rooms.

Lighting

10.1.5 Lighting accounts for a significant proportion of building energy use - around 16%. Therefore, high efficiency fluorescent lighting will be used throughout the school in conjunction with a lighting control system incorporating daylight linking and presence detection. This will ensure that lights are switched off when not required. General classrooms will incorporate suspended lighting or lighting rafts with both up and down light. This allows soffits to be lit which makes ceilings feel higher and hence improves the visual experience within the space.

Renewable Energy

10.1.6 A detailed study of various renewable energy options was undertaken during the design process for the school. This resulted in the following conclusions:

- biomass heating is not feasible in Guernsey as there is no local fuel availability. Because of the exposed nature of the site and island nature of Guernsey, medium scale wind power is by far the most cost effective and meaningful renewable technology for the site. However, significant planning obstacles are associated with the large size and highly visible location of the turbines. Hence this option has not been pursued, although The Department would be keen to investigate this further, should it be encouraged by the Environment Department
- photo-voltaics and ground source heat pumps (i.e. linking the air source heat pumps to boreholes in the ground to improve their efficiency) are not currently cost effective technology. Hence these options will not be pursued
- solar hot water heating is relatively cost effective and would work well with the heat pump base heating scheme. Hence this option will be pursued
- further detailed calculations have been undertaken for the solar hot water heating option to firm up costs and system sizes. These demonstrate that a solar hot water system would save relatively little energy in the school building (especially as it is unlikely to be fully occupied during the summer months). However, the calculations indicate that the proportion of hot water energy saved by a solar system for the pool building is about 36% of hot water usage. A solar hot water heating system will, therefore, be provided for the pool and sports hall building

Materials

10.1.7 The selection of materials and components will take into account their environmental impact based upon the available raw resource and their life cycle. This would cover their extraction, manufacturing, transport, erection and

maintenance through to the end of their use within this application and future usage.

11. Contract Procurement

- 11.1 The Code of Practice for Major Capital Construction Project Prioritisation and Management states:

“The decision on the optimum procurement method will be taken by States Property Services acting with the Client Department to apportion risk while it can best be managed.”

- 11.2 A contractor procurement workshop involving staff from Education, States Property Services and St. James’ Chambers was held in March 2008.
- 11.3 The most appropriate procurement route for Les Beaucamps redevelopment was agreed as being a Design and Build form of the JCT contract with Law Officer amendments. The contract price will be agreed on a two stage process. The first stage will select the main contractor based on their quality and fixed costs such as preliminaries and profit. The second stage will involve working with the main contractor to competitively tender the works packages to provide a fixed lump sum price.
- 11.4 The design team will be novated to the main contractor once the design has been well developed and tendered so that the quality standards can be managed to an acceptable level.
- 11.5 The early involvement of the main contractor will allow the design to develop during the second stage, taking into account buildability savings as well as programme and logistics issues, which will enable savings to be secured.
- 11.6 It was agreed this approach provided the best balance between controlling the risks for the States, whilst achieving the highest design quality and value for money.
- 11.7 At its meeting on 22nd April, 2008 the Education Board approved the proposed procurement route for the Les Beaucamps School redevelopment.
- 11.8 Although a contractor could not be appointed until the capital prioritisation debate for Les Beaucamps had taken place, Buildability Workshops were subsequently held with the three main local contractors to ensure that the design which was in development offered best value in terms of its construction.

12. Cost Plan

- 12.1 Indicative costs for the project have been produced by Gardiner and Theobald, the appointed quantity surveyors for the project. These have been updated to

January 2009 to reflect the revised programme following the Treasury and Resources Department's decision to defer the Capital Prioritisation debate until March 2009 and include for inflation based on the latest Building Cost Information Service (BCIS) inflation index issued in December 2008.

- 12.2 If the project is given priority status to proceed to submission of detailed proposals and a request for a capital vote, the Education Department intends to return to the States in April 2009.
- 12.3 The current estimated construction cost of £34.79 million as at 2nd January, 2009, includes allowance for inflation effects from January 2009 to completion of the project works in 2014. In the current economic circumstances, the Building Cost Information Service Industry standard index that has been used following consultation with States Property Services allows for expected deflation in 2009 and 2010 with inflation from 2011. A 1% increase in the level of inflation above these assumptions would result in an increase of £1.2 million in the total cost.

13. Revenue Costs

Staffing costs

- 13.1 Additional staffing will be required for the anticipated increase in pupil numbers, although it is anticipated there will be no need to increase the overall staffing establishment of the Department because of the staff savings that will be made when St. Peter Port Secondary School closes in 2009.

Energy costs

School building

- 13.2 The design of the new buildings will be much more energy efficient than the present buildings. The design has been developed to maximise energy savings through sustainable design. The design aims to achieve BREEAM 'Very Good' and incorporates solar thermal water heating, natural ventilation and thermal mass cooling as well as rain water harvesting. On the basis of energy cost information given by Guernsey Electricity and using benchmark annual energy cost data from ECG073 - Energy use in schools, the Mechanical and Electrical consultants have calculated an indicative annual energy cost of about £8.00/m² using air cooled heat pumps. Assuming a school building area of 6,600m² and the air cooled heat pump scheme, the approximate annual energy cost is £52,800.

Pool building:

- 13.3 Using the BRESCU 78 pool annual energy consumption guide (2001) and on the assumption that various energy efficiency measures will be implemented -

improved building fabric, high efficiency heat recovery, variable speed pumps, pool cover used, high efficiency lighting used - the approximate electricity cost is £61,214 per annum, which equates to £32.22/m² per annum.

- 13.4 The figures are based on energy costs for 2008.
- 13.5 With provision for energy, maintenance contracts etc. the additional annual revenue costs at today's values are presently estimated and summarised as follows:

Maintenance contracts etc.	£150,000
Heat, light and water	£ 65,000
General supplies etc.	£ 10,000

- 13.6 In addition, a maintenance schedule will be produced during the construction period and used with the Treasury and Resources Department to determine an ongoing schedule of planned preventative maintenance for elemental refurbishment. Detailed costs to operate and maintain the building to an appropriate standard are being evaluated. The initial estimate for elemental refurbishment is an annual average cost of some £170,000, in addition to the annual revenue costs shown above. The buildings are designed to achieve a minimum life of 50 years with low-maintenance, durable materials being selected. The programme of the first major maintenance refurbishment is designed as lasting a minimum 15 years in order to manage and reduce costs wherever possible. Once the design is finalised, these detailed costs will be confirmed with the Treasury and Resources Department.
- 13.7 The revenue estimates are very approximate at this early stage. Work will continue to identify possible rationalisation of both staff and other costs. The Education Department will continue to work with the Treasury and Resources Department to identify and manage all the revenue budget implications.

14. Cashflow

- 14.1 On the basis of the programme below, an indicative cash flow requirement has been prepared by Gardiner and Theobald:

2009	£ 2,000,000
2010	£ 3,667,740
2011	£16,321,244
2012	£ 4,318,070
2013	£ 7,330,002
2014	£ 1,029,737
2015	<u>£ 115,836</u>
Total	<u>£34,782,649</u>

15. **Programme**

15.1 Because of the delays to the Capital Prioritisation Debate until March 2009, the proposed project programme has been recast to reflect that the earliest date that a capital vote can be approved by the States would be in the April 2009 States meeting.

15.2 The key programme dates as projected from April are:

States debate on detailed proposals	April 2009
Construction of school buildings starts	August 2010
School buildings ready for occupation	August 2012
Demolition of existing school buildings	August-December 2012
Construction of sports facilities starts	November 2012
Sports facilities ready for occupation	May 2014

16. **Maintenance of school functions during the construction phase**

16.1 During the construction period the school will continue to operate in its existing buildings and using its existing sports facilities until the new buildings can be occupied.

16.2 The phasing of the construction works will allow the new buildings to be erected safely away from the daily operations of the school.

16.3 The Education Department now has extensive experience of managing major school rebuilding projects located on operational school sites. Recently Hautes Capelles Primary, St. Anne's School, Alderney, the Princess Royal Centre for the Performing Arts and the Sixth Form Centre have all been constructed on operational school sites.

17. **Project Management**

17.1 The Education Department has a well established process for managing capital projects and a design team structure has been implemented for each of the Education Development Plan Programme 1 projects in consultation initially with the Advisory and Finance Committee and latterly with the Treasury and Resources Department.

17.2 The four major new-build projects already completed within Education Development Plan Programme 1 – Le Rondin, the Sixth Form Centre, the Princess Royal Centre for the Performing Arts and Le Murier Special School and St. Sampson's High School - have all been completed within budget and to the defined quality standards.

17.3 The Education Department has followed Prince 2 methodologies in establishing a Project Board comprising Treasury and Resources Department and Education

Department politicians and officers for the Baubigny Schools project.

- 17.4 It intends to establish the same mechanism once the Les Beaucamps project moves to the construction phase.
- 17.5 In the meantime, a project steering group of Treasury and Resources Department and Education Department politicians and staff will be established.
- 17.6 The original design team was re-engaged to progress the project to Planning in Principle readiness and RIBA Stage D and, subject to the States prioritisation of the project, the team will continue to progress the design through to construction.
- 17.7 Post Implementation reviews of the earlier Education Development Plan Programme 1 projects have endorsed the appointment of a consultant Project Manager and Client Representative and this professional design team will support Department officers who have worked on the earlier Education Development Plan Programme 1 projects.

18. Conclusions

- 18.1. The Education Department wishes the States to note:
 - a) the continuing concerns about the inadequacy of the facilities for pupils and staff at Les Beaucamps High School and the Department's development of the project brief in response to the initial direction of the States in 2001 to return to the States with proposals to develop three new High Schools
 - b) that, following the States 2001 direction to develop three new High Schools, the States subsequently continued to support the progression of the plans for the High Schools as part of the Education Department's Education Development Plan Programme 1 through resolutions following Education Department policy letters and States reports submitted in 2002, 2003, 2004 and 2005. The States also confirmed their approval of the Education Department's development plans through their endorsement of the Department's objectives set out as Priority 9 of the 2007-2009 Government Business Plan.

19. Recommendations

- 19.1 The Education Department requests that the following proposition is debated under Rule 12(4) of the Rules of Procedure such that it is considered by the States without amendment.
- 19.2 Accordingly, the Education Department asks the States to note the contents of the report and the conclusions above and recommends the States:

- to note that, subject to the Education Department's proposals being supported as a high priority by the States during the planned Capital Prioritisation debate, the Education Department will return to the States in April 2009 with detailed proposals for this capital project, including a recommendation for contractors to be appointed and a request for a capital vote to be established.

Yours faithfully

C A Steere
Minister

(NB As explained in the Education Department Report, dated 8th September 2010, Appendices 2 to 10 are not attached)

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

(NB The Treasury and Resources Department has commented as follows.)

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

29th September 2010

Dear Chief Minister

EDUCATION DEPARTMENT – THE REORGANISATION OF SECONDARY EDUCATION STAGE 2: THE REBUILDING OF LES BEAUCAMPS HIGH SCHOOL

This project is the first construction project from the 2009 Capital Programme to come back before the States for formal funding approval to proceed. It is also the first project to follow the approved Codes of Practice for Construction Projects. It is pleasing to note that the Education Department has embraced the use of these Codes of Practice, including the use of Gateway Reviews.

The Gateway Review process provides assurance to all stakeholders that the project continues to have merit and that it can be justified on a ‘business needs’ basis with an assessment of the likely costs, risks and potential for success compared to the original brief. Three high-level Gateway Reviews have been carried out; Business Justification, Strategic Fit and Achievability and Award Decision. These high-level reviews provide assurance to the project board that: -

- The proposed approach is appropriate, has been adequately researched and can be delivered in line with the original brief.
- The selected procurement approach is appropriate, proper consideration has been given to all aspects of value for money and that the recommended award decision is appropriate **before** the contract is placed with the contractor.
- The process has been well managed, the business needs are being met, the client and the contractor can implement and manage the proposed solution and the necessary processes are in place to achieve a successful outcome.

All three Gateway Reviews achieved a Green Status (i.e. pass without further action).

The development of this project has been managed by a project board appropriately mandated with representatives from both the Education and Treasury and Resources Departments. The board is responsible for the success of the project and ensuring the project is focused throughout its life cycle on achieving the agreed objectives and critical success factors. The project has been well managed to date demonstrating that the client (the States) possesses the skills and experience required of an Intelligent Client to manage a project of the size and complexity of the rebuilding of Les Beaucamps High School.

Furthermore, the Treasury and Resources Department has verified that best practice procurement has been followed to market test the prices for this particular project in an open and competitive environment which has delivered a best value solution.

Against this background the Treasury and Resources Department supports this States Report and confirms that updated modelling of the capital programme demonstrates that sufficient funding is available within the Capital Reserve to fund this project. The 2011 Budget Report, to be published on 12 November, includes a full update on the capital model. In respect of the ongoing revenue costs, appropriate provision has been allowed in financial forecasts prepared by the Department.

Yours sincerely

C N K Parkinson
Minister

The States are asked to decide:-

XV.- Whether, after consideration of the Report dated 8th September, 2010, of the Education Department, they are of the opinion:-

1. To approve the construction of secondary school facilities at Les Beaucamps High School as set out in that Report.
2. To approve a capital vote totalling £36,800,000 for the construction of secondary school facilities at Les Beaucamps High School as set out in that Report.
3. To approve an increase of £1,950,000 to the existing Education Development Plan Programme One Project Implementation Costs capital vote.
4. To transfer a sum of £37,050,000 from the Capital Reserve to fund the above costs as set out in paragraph 9.11.
5. To direct the Treasury and Resources Department to take account of the additional revenue costs associated with Les Beaucamps High School when recommending Cash Limits for the Education Department for 2012 and subsequent years.