



BILLET D'ÉTAT

WEDNESDAY, 29th JUNE 2011

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2011

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B I L L E T D ' É T A T

TO THE MEMBERS OF THE STATES OF THE ISLAND OF GUERNSEY

I have the honour to inform you that a Meeting of the States of Deliberation will be held at **THE ROYAL COURT HOUSE**, on **WEDNESDAY**, the **29th JUNE, 2011** at 9.30am, to consider the items contained in this Billet d'État which have been submitted for debate.

G. R. ROWLAND
Bailiff and Presiding Officer

The Royal Court House
Guernsey
20 May 2011

PROJET DE LOI

entitled

INHERITANCE (GUERNSEY) LAW, 2011

The States are asked to decide:-

I.- Whether they are of the opinion to approve the draft Projet entitled “Inheritance (Guernsey) Law, 2011” and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for her Royal Sanction thereto.

**THE HOUSING (CONTROL OF OCCUPATION) (AMENDMENT OF
HOUSING REGISTER) ORDINANCE, 2011**

The States are asked to decide:-

II.- Whether they are of the opinion to approve the draft Ordinance entitled “Housing (Control of Occupation) (Amendment of Housing Register) Ordinance, 2011” and to direct that the same shall have effect as an Ordinance of the States.

**THE POLICE COMPLAINTS (COMMENCEMENT AND AMENDMENT)
ORDINANCE, 2011**

The States are asked to decide:-

III. - Whether they are of the opinion to approve the draft Ordinance entitled “The Police Complaints (Commencement and Amendment) Ordinance, 2011” and to direct that the same shall have effect as an Ordinance of the States.

HOME DEPARTMENT

AMENDMENT TO DATA PROTECTION LEGISLATION

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

13th April 2011

Dear Sir

1. EXECUTIVE SUMMARY

- 1.1 This report sets out a proposed amendment to the Data Protection (Bailiwick of Guernsey) Law, 2001 ('the Law'). The proposed amendment will update the Law at Section 56 'Prohibition of requirement as to production of certain records', to reflect the fact that the Guernsey Vetting Bureau has since been established as a supplier of details in relation to criminal convictions or cautions.
- 1.3 This Report concludes with the recommendation that the Guernsey Vetting Bureau is specified within Section 56, subsection (5) of the Law as an additional source of a "relevant record".

2. BACKGROUND

- 2.1 Section 56 of the Law prohibits the practice of "enforced subject access", whereby an employee or prospective employee is forced to use the subject access provisions of the Law to enable the provision of confidential or sensitive personal data to an employer or prospective employer.
- 2.2 This personal data, which is defined in the Law as a "relevant record" includes convictions and cautions which are 'spent' under rehabilitation of offenders legislation and which may only be disclosed in relation to specified occupations in accordance with that legislation.
- 2.3 Section 56 was amended in 2010 to exclude from the definition of a relevant record "a disclosure issued by or on behalf of the Chief Officer of Police which complies with any relevant code of practice issued by the Commissioner under section 51(3)".

2.4 In 2010 the Home Department facilitated a move to the Criminal Records Bureau ('the CRB') as provider of criminal record checks at either a standard or enhanced level. Access to the CRB was pursued by the Department for two reasons:

- (a) the Department acknowledged that the existing criminal record check service for higher-level criminal record checks as provided by Guernsey Police was not sustainable in the long-term;
- (b) a relationship with the CRB was necessary if the Bailiwick was to participate in the new Vetting & Barring Scheme, a recommendation from the Home Department that was approved by the States of Deliberation on Thursday 1st October 2009.

2.5 The enabling legislation in this respect is the Police Act 1997 (Criminal Records) (Guernsey) Order 2009 ('the Order'). The Order makes provision for the Home Department to register with the Secretary of State as a 'registered person' for the purpose of countersigning or transmitting applications to the CRB for criminal record certificates and enhanced criminal record certificates. The Home Department's responsibility in this regard is administered through the Guernsey Vetting Bureau.

2.6 The proposals made in this States Report are in accordance with the *Principles of Good Governance* as outlined in Billet D'État IV 2011 (page 247), most particularly Principle 5 "*developing the capacity and capability of the governing body to be effective.*"

3. PROPOSALS FROM THE DATA PROTECTION COMMISSIONER

3.1 The Data Protection Commissioner has recommended that a disclosure issued by the Guernsey Vetting Bureau should be included within the exclusion provided for in Section 56 subsection (5) of the Law.

4. CONSULTATION WITH THE LAW OFFICERS' CHAMBERS

4.1 The Law Officers endorse this proposed amendment.

5. RESOURCES

5.1 The Home Department does not believe that the proposed changes would result in a request for additional resources for either within the Department or the Data Protection Commissioner's office.

6. CONCLUSION

- 6.1 The proposed amendment will update the Law to reflect the fact that disclosure of criminal record information can now emanate from the Guernsey Vetting Bureau.

7. RECOMMENDATIONS

- 7.1 The Department recommends the States to:
- (a) approve the amendment of subsection (5) of Section 56 of the Law to include the Guernsey Vetting Bureau as an additional source of a “relevant record”;
 - (b) direct the preparation of such legislation necessary to give effect to the foregoing.

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

Yours faithfully

G H Mahy
Minister

PRIORITISING LEGISLATION

1. THE NEED FOR LEGISLATION

To update the Law at Section 56 ‘Prohibition of requirement as to production of certain records’ to reflect the fact that the Guernsey Vetting Bureau has since been established as a supplier of details in relation to criminal convictions or cautions.

2. FUNDING IMPLICATIONS

The Home Department does not believe that the proposed changes would result in a request for additional resources for either within the Department or the Data Protection Commissioner’s office.

3. RISKS/BENEFITS ASSOCIATED WITH ENACTMENT/NON-ENACTMENT

The amendment is required in order to ensure that Guernsey continues to meet internationally recognised Data Protection standards.

4. ESTIMATED DRAFTING TIME

A short Ordinance is required and the advice is that this is straightforward.

¹ For the purpose of prioritising legislation, all future States Reports requiring new legislation will include a brief annexe containing information justifying the need for legislation; confirming how funding will be provided to carry out functions required by the new legislation; explaining the risks and benefits associated with enacting/not enacting the legislation; and the estimated drafting time required to draw it up.

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

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

The States are asked to decide:-

IV.- Whether, after consideration of the Report dated 13th April, 2011, of the Home Department, they are of the opinion:-

1. To amend subsection (5) of Section 56 of the Law to include the Guernsey Vetting Bureau as an additional source of a “relevant record”.
2. To direct the preparation of such legislation necessary to give effect to their above decision.

REQUÊTE

ABOLITION OF WIDOW'S PENSION – COMPENSATION SCHEME

THE HUMBLE PETITION of the undersigned Members of the States of Deliberation SHEWETH THAT:-

1. In September 2002, the former Social Security Authority indicated in its Policy Letter relating to Benefit and Contribution Rates for 2003 (see Billet d'État No. XX of 2002, p. 1615) that "*The Authority is working on proposals for equal treatment of the sexes under the social insurance scheme and intends to report to the States in the next six months*" (para. 19). This indication appeared in a section headed "*Addressing single pensioner poverty*".
2. The former Authority thereafter submitted its major Report entitled 'Revision of Social Insurance Scheme for Gender Equality' for early publication in a standalone Billet d'État (No. V of 2003), which was debated at the April 2003 Meeting of the States of Deliberation. The Report described the Authority's strategy as being "*to move decisively towards the individualisation of social insurance benefits, so that all contributors will have clearly defined entitlements under the Law, without reference to gender, marital status or family circumstances*" (para. 3). As a consequence, the Authority recommended the replacement of the widow's pension by a 'bereavement allowance', with the target date for commencement of "*as soon as is reasonably practicable after 1 January 2004*" (para. 13). It also made recommendations about small changes to the survivor's grant and the option available to married women and widows to pay a reduced rate, or even no, social insurance contribution.
3. At the conclusion of the April 2003 debate, the States resolved:

"13. *That widow's pension shall be replaced by a 'bereavement allowance' and made payable to a widow or widower aged between 45 and 64, inclusive, who is not entitled to a widowed parent's allowance, for a maximum of 12 months.*"

The States further resolved *inter alia* as follows:

- "1. *That the married woman's and widow's option to pay a reduced rate of social insurance contribution, if employed, or to pay no social insurance contribution if self-employed or non-employed shall be discontinued, and that all women shall be assessed to pay at the full percentage rates from 1 January 2004.*
- ...
13. *That survivor's grant shall be replaced with 'bereavement payment' and made payable to all widows and widowers, including pensioners, at a rate comparable with the present value of survivor's grant.*

...

15. *That the foregoing propositions shall take effect from 1 January 2004 or as soon as practicable thereafter."*

4. On 31 July 2003, the States of Deliberation approved a *Projet de Loi* entitled "The Social Insurance (Guernsey) (Amendment) Law, 2003", which gave legislative effect to the abolition of the widow's pension by substituting section 32 of the Social Insurance (Guernsey) Law, 1978. In accordance with section 6 of the 2003 Amendment Law, it came into force on 1 January 2004.
5. Your Petitioners acknowledge that the principle of achieving gender neutrality in relation to contributions in respect of, and entitlement to receive, social insurance benefits is entirely appropriate for Guernsey and Alderney. Your Petitioners have no wish to undo the legislative changes that were given effect by the 2003 Amendment Law, recognising that the review that had been undertaken prior to the 2003 debate had identified outcomes that were legally and socially both necessary and desirable.
6. Your Petitioners are concerned, however, that the short period of time between consideration of the former Authority's proposals and their implementation through the 2003 Amendment Law did not enable those couples who were to be most affected by them to make adequate arrangements to mitigate against the consequences. Your Petitioners further believe that it is quite possible that the adverse implications occasioned by the complete abolition of the former widow's pension and associated changes made with effect from 1 January 2004 were not fully appreciated.
7. Your Petitioners have become aware of various women who have been widowed after 1 January 2004 who were quite unaware that what they believed to be their entitlement to a pension on their late husbands' deaths no longer existed and who have faced, or may face, genuine financial hardship as a result. Some families in Guernsey and Alderney where the wife had attained the age of 45 before the abolition of the widow's pension chose to organise their affairs in the way families often had in the past with the husband being the sole earner. Your Petitioners believe that such families could properly adopt that course of action in the full expectation that the widow's pension afforded sufficient financial protection in the event of the husband dying. Your Petitioners fear that this group of women have been placed at a disadvantage because of the precipitate introduction of the changes brought about by the 2003 Amendment Law.
8. Your Petitioners believe that the circumstances in which women who had attained the age of 45 by the end of 2003 and who have been widowed since 1 January 2004 find themselves in relation to social insurance benefits merits further consideration. The Social Security Department has been invited to address the issue voluntarily, but has declined to do so. Because that Department has access to all the relevant details of women who have been affected by the 2003 Amendment Law changes and is best placed to assess the

financial and other consequences involved, including taking into account the bereavement allowance received, it would be appropriate to require it to provide the States with a comprehensive report relating to how to establish a scheme to provide equivalent financial support to women who have been widowed since 1 January 2004 and would have been eligible to receive a widow's pension had that entitlement not been abolished. Your Petitioners suggest that the scheme they envisage being established would need to be operated by the Department outside of the Guernsey Insurance Fund on an *ex gratia* basis.

THESE PREMISES CONSIDERED, YOUR PETITIONERS humbly pray that the States may be pleased to resolve to direct the Social Security Department to report back to the States by no later than their January 2012 Meeting with recommendations for the establishment of a scheme under which applications may be submitted by persons who had attained the age of 45 on or before 31 December 2003 and who would have become eligible to receive a widow's pension in accordance with section 32 of the Social Insurance (Guernsey) Law, 1978 (as it applied prior to 1 January 2004) had it not been repealed and replaced with effect from 1 January 2004 for appropriate payments to be made on an *ex gratia* basis.

AND YOUR PETITIONERS WILL EVER PRAY

GUERNSEY

This 21st day of March 2011

B J E Paint
A Spruce
L R Gallienne
J A B Gollop
J Honeybill
M G O'Hara
R R Matthews

T J Stephens
I F Rihoy
M J Storey
M G G Garrett
D B Jones
J Kuttelwascher
A H Langlois

(NB In pursuance of Article 17 of the Rules of Procedure the views of the Departments and Committees consulted by the Policy Council, as appearing to have an interest in the subject matter of the Requête, are set out below.)

(NB The Social Security Department has commented as follows.)

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

26th April 2011

Dear Deputy Trott

Requête: Abolition of Widow's Pension – Compensation scheme

Thank you for your letter of 28 March 2011, enclosing a copy of a Requête signed by Deputy Paint and others and inviting the comments of the Social Security Department.

The Social Security Department will ask the States to oppose the prayer of the Requête, on the following grounds.

The reform of widow's pension, which was a benefit for widows aged between 40 and 65, took effect from 1 January 2004 as one of a number of far-reaching reforms of the social insurance scheme. The reforms were implemented in order to individualise rights and obligations under the scheme and to remove some aspects which, prior to the reforms, were vulnerable to challenge under Human Rights legislation as being discriminatory. Widow's pensions were one such area, where widows were advantaged over widowers.

In 2003, the then Guernsey Social Security Authority arranged extensive publicity of the proposed reforms of the social insurance scheme prior to the States considering and approving in its entirety the report entitled 'Revision of Social Insurance Scheme for Gender Equality'. The Requête acknowledges the early publication of the 2003 proposal as a separate Billet D'Etat. The Authority also arranged for an explanatory leaflet concerning the changes to the scheme to be distributed to all households in Guernsey and Alderney. A public meeting was also held.

The household leaflet, the text of which is reproduced at Appendix 1, contained the following paragraph:

'Changes to widow's pension

Widows who are receiving a widow's pension as of 31 December 2003 will continue to receive the payments next year and beyond, until they reach 65, remarry or live with someone as man and wife. But widow's pension will change to a new benefit called bereavement allowance for women and men over 45 who become widowed after 31 December 2003. Bereavement allowance will be similar to a widow's pension but will be paid for only one year following the death of a spouse.'

The Department considers that the Guernsey Social Security Department, in distributing the household leaflet and stating in very clear terms that widow's pension would be replaced with a benefit of just one year's duration had done as much as could reasonably be expected to draw this change to the attention of Guernsey residents. Furthermore, the Department is confident that the members of the States were fully aware of this component of the gender equality reforms when unanimously supporting the proposals.

The gender equality reforms were put to the States as a package of proposals that were broadly self-financing in the long-term. There was a medium-term increase in contribution income from the removal of the right for married women to pay reduced-rate contributions, but there were increased long-term liabilities through the improved pensions for married women that the reforms would bring about and which the then Social Security Authority and the current Social Security Department saw as a major advance.

The reforms involved a considerable future liability through the granting of contribution credits attached to family allowance claims where a parent was out of the workforce in order to bring up a child under 16 years of age. There was also extra expenditure in respect of bereavement grants which were extended to surviving spouses of all ages, whereas previously they had applied only to the surviving spouse of a person who died under the age of 65. Bereavement allowance would also apply to widowers, who until 2004 had only been able to claim widowed parent's allowance if they had a dependent child.

Against these extra expenditures, the change from an open-ended widow's pension, which continued until the widow reached 65, to an allowance that lasted for 52 weeks only, was the main area of saving within the gender equality package. Without that saving, the package would not have been broadly self-financing in the long-term. If the reforms on widow's pension were, as a consequence of the Requête, to be reversed, then clearly the self-financing model would fail.

It is important to note, however, that women who were married as at 31 December 2003, if becoming widowed before 65, will be awarded 100% of their late husband's contribution record up to the end of the year preceding his death, from which point she becomes responsible for her own contributions. This is an important, ongoing protection which allows widows to achieve at least as good a pension as their late husband would have received on reaching 65.

It is noted, however, that the Petitioners for the Requête envisage a scheme of support for widows that is operated outside the Guernsey Insurance Fund on an ex-gratia basis. This can only mean that the financing is to come from General Revenue.

The Department notes that the Requête seeks to assist women who were 45 as of 31 December 2003. As all such persons will reach 65 no later than 31 December 2023, this means that the scheme of assistance would have a finite, 20 year duration.

The Department notes that, in setting the parameter of being aged 45 or over at the end of 2003, the Petitioners for the Requête have created a new dividing line giving 20 years of additional protection to women above that age, but nothing additional for those below. It is as sharp a cut-off as the rule that applies under the current legislation, but with the 20 year lead-in.

The Department has obtained from the Government Actuary's Department an estimate of the additional costs that would be incurred in each of the 20 years between 2004 and 2024 if a scheme as outlined in the Requête were to proceed. The estimates are shown in Appendix 2 to this letter. The estimates, which are expressed in 2011 terms, show a maximum additional annual expenditure of £943,000 in respect of 2009, thereafter reducing to zero in 2024, by which all of the age cohorts protected by the terms of the Requête have reached 65. The aggregated cost over the 20 year period, in 2011 terms, is £9.66m.

The Petitioners for the Requête say that '*Some families in Guernsey and Alderney where the wife had attained the age of 45 before the abolition of the widow's pension chose to organise their affairs on the way families often had in the past with the husband being the sole earner*'. That will be so, but the important word is '*some*'.

As the Social Security Authority reported in 2003, the majority of women receiving widows' pensions at that time were in employment or self-employment. The tables below show the employment status and broad band of earnings for women who became widowed in 2004, the first year following the changes coming into effect, 2005, 2006 and 2010. Whereas the statement made in the 2003 report would have included women who had taken up employment some time after being widowed, the tables which follow show that, even in the year in which widowhood occurs, approximately half of the women are in employment or self-employment.

	Number of women becoming widowed in 2004			
Earnings in 2004	employed	self-employed	non-employed	total
Less than £10,000	1	1	5	7
£10,000 to £15,000	3	0	1	4
£15,000 to £20,000	9	0	1	10
£20,000 to £25,000	1	0	0	1
Over £25,000	<u>3</u>	<u>0</u>	<u>2</u>	<u>5</u>
	17	1	9	27

Note: Bereavement benefits were paid to a further 10 widows not living in Guernsey

	Number of women becoming widowed in 2005			
Earnings in 2005	employed	self-employed	non-employed	total

Less than £10,000	3	0	14	17
£10,000 to £15,000	1	0	3	4
£15,000 to £20,000	0	0	0	0
£20,000 to £25,000	3	0	0	3
Over £25,000	<u>2</u>	<u>2</u>	<u>1</u>	<u>5</u>
	9	2	18	29

Note: Bereavement benefits were paid to a further 7 widows not living in Guernsey

	Number of women becoming widowed in 2006			
Earnings in 2006	employed	self-employed	non-employed	total
Less than £10,000	0	0	11	11
£10,000 to £15,000	2	2	3	7
£15,000 to £20,000	5	0	0	5
£20,000 to £25,000	2	0	0	2
Over £25,000	<u>7</u>	<u>0</u>	<u>2</u>	<u>9</u>
	16	2	16	34

Note: Bereavement benefits were paid to a further 12 widows not living in Guernsey

	Number of women becoming widowed in 2010			
Earnings in 2010	employed	self-employed	non-employed	total
Less than £10,000	3	0	0	3
£10,000 to £15,000	2	0	0	2
£15,000 to £20,000	4	0	0	4
£20,000 to £25,000	0	0	0	0
Over £25,000	<u>8</u>	<u>0</u>	<u>0</u>	<u>8</u>
	17	1*	14*	32*

* Details of self-employed earnings and non-employed income not yet confirmed.

Note: Bereavement benefits were paid to a further 4 widows not living in Guernsey

The Department believes in the principle that benefits should be paid to those of working age who need financial assistance or who cannot work by reason of, say, injury, sickness or unemployment. The principle is that benefits should not be paid to people who choose not to work. To do so would not be consistent with States Policies, contained in the Fiscal and Economic Strategic Plan, which are to increase the percentage of the population in work.

The Department acknowledges that some of the widows who are working but have low earnings, or are non-employed but without substantial resources, may need the support of supplementary benefit. The Department would encourage applications for assistance.

Conclusion

The Department will request the States to oppose the prayer of the Requête on the grounds that:

1. The gender equality reforms, which the States approved in 2003, are now in their eighth year of operation and operate successfully as a cohesive package;
2. The aspect of the reforms concerning the limiting of a widow's pension to a 52 week bereavement allowance was well publicised in advance of the States debate and understood by the States members who approved the full package of proposals;
3. The scheme outlined in the Requête will impose a cost to General Revenue of approximately £9.66m in 2011 terms over the 20 year period 2004 to 2024.
4. Approximately one half of the women who have become widowed since 1 January 2004 were, when widowed, in employment or self-employed and clearly capable of financial independence without the need for a widow's pension until they reach 65;
5. Widows who are unable to work or have limited earning power and are at risk of financial hardship are encouraged to claim supplementary benefit;

The Department is of the view that the grounds for rejecting the Requête are strong and there would be little to gain from the investment of resources in the preparation of a report and a subsequent return to the States on this matter.

Yours sincerely

M H Dorey
Minister

Appendix 1

Reproduction of text which appeared in leaflet delivered to all Guernsey and Alderney households

Changes to the Social Insurance Scheme from 2004

Major changes to the social insurance scheme take place from **1 January 2004**. This is to modernise the scheme and make it fit better with today's family structures and life-styles. The changes will also bring about equal treatment of men and women.

Everything in this leaflet is confined to the contributory social insurance scheme. None of the changes apply to the supplementary benefit scheme, which continues next year as it is now.

Will the changes affect me?

The biggest immediate changes affect married women and people caring for children. Longer term, there are changes for people newly claiming widows benefits and pension. But there are no changes at all for people already getting old age pension. And women already getting a widow's pension will continue to receive it, but they will have to pay full rate contributions based on their earnings or income.

No more reduced rate contributions

From next year, all married women and widows will have to pay full rate social insurance contributions, based on their earnings if they are in paid work or on their personal income if not in paid work. The special, reduced rate contributions will stop and all married women and widows will be treated the same for contributions as unmarried women and all men. Your employer will deduct full rate contributions even if you still have a red insurance card.

Contribution credits for looking after children

From next year, if you are not paying any other contributions you will get contribution credits with your family allowance. This is an important new measure to recognise the value of bringing up children. The weekly contribution credits, which count for old age pension purposes, will be available if you are over 20 and caring for a child under 16. As long as you are claiming family allowance, you do not have to do anything about claiming the new contribution credits. We will do that for you. The credits apply to women or men. The credits will go to the person to whom the family allowance is being paid.

Changes to married woman's pension

From next year, a married woman will no longer be able to claim a pension based on her husband's insurance record. Instead, she will have transferred to her own contribution record 62% of her husband's average contributions per year up to the end of 2003. This does not remove any contributions from the husband's own record or damage his record in any way. Also, the transfer will not take place if the married woman already has a better insurance record in her own right. After the transfer of contributions has taken place, the married woman can maintain and improve her own

contribution record by paying earnings related contributions if in work or by paying income related or voluntary contributions if not in work. When reaching 65, married women will have their pension entitlement calculated on their own record, not their husbands.

Voluntary contributions

If you are not in paid employment or self-employment and your personal income is less than £11,310 per year, you will not have to pay any contributions. But if you are under 65, you may choose to pay a voluntary contribution to improve your insurance record. The voluntary contribution is being reduced from £20.54 per week down to £12.40 per week from 1 January 2004. If you are getting family allowance for a child under 16 you will be covered by a family allowance credit, so do not need to buy a voluntary contribution.

Pension guarantee for married women over 55

For married women within 10 years of pension age, the Authority is guaranteeing that you will not lose out under the new rules. We will work out your rate of pension on the old rules as well as the new rules and pay the highest rate.

Rules for widows and divorcees

Any widow or divorced woman who has not remarried before 1 January 2004 will be allocated a contribution record equal to 100% of their husband's contribution average at the time of his death or divorce. This is the rule already in place. But from next year there will be no more contribution credits for widows receiving widow's pension. You will have to pay contributions on your earnings or income.

Women becoming divorced or widowed after 31 December 2003

As contribution records for all men and women are individualised from next year, women who divorce or are widowed after 31 December 2003 will be in the same position for contributions as everyone else and will receive no special treatment. They will remain entitled to 62% of their former husband's contribution record as of 31 December 2003, as described earlier, just like any other woman who was married at that date.

Changes to widow's pension

Widows who are receiving a widow's pension as of 31 December 2003 will continue to receive the payments next year and beyond, until they reach 65, remarry or live with someone as man and wife. But widow's pension will change to a new benefit called bereavement allowance for women and men over 45 who become widowed after 31 December 2003. Bereavement allowance will be similar to a widow's pension but will be paid for only one year following the death of a spouse.

Widows or widowers with children

If you are getting Widowed Parent's Allowance, the extra you get for each child will no longer be payable from next year. But, the standard rate of benefit will be increased to take account of this change.

Changes to survivor's grant

Survivor's grant will be renamed bereavement payment. It will remain a lump sum payment paid to the surviving spouse of a married couple. So far, survivor's grant has only been paid in respect of deaths under the age of 65. But from next year there will be no age limit and the benefit will be paid to widows and widowers of all ages. It is not the same benefit as death grant, which does not require there to be a surviving spouse. Bereavement payment and death grant can be paid at the same time.

No increases of benefit for child dependants

From next year, there will no longer be increases in sickness, unemployment, invalidity and pension in respect of child dependants. But if such increases are already in payment they will generally continue for up to one year. Remember that this is nothing to do with supplementary benefit, which continues unchanged.

No increases of benefit for adult dependants

From next year, there will no longer be increases in sickness, unemployment and invalidity benefit in respect of adult dependants. But if such increases are already in payment they will generally continue for up to one year. The main rates of benefit are being increased to compensate, on average, for the removal of the increase for a dependant.

Increase of old age pension for wife under 65

We will still pay extra pension if you have a wife under the age of 65. But this extra amount will not be paid to married men reaching pension age after 2013. This allows for a 10-year period of adjustment. But, if you are already getting the extra amount before 2014 it will continue until your wife reaches age 65 and receives a pension in her own right.

No more green cards for students

From next year, students over school leaving age who work and earn over £87 per week will have to pay full rate contributions. This will help them to build up a pension entitlement from an earlier age. Any student or employer with a green card should contact Social Security and exchange it for a full rate (blue) card.

Further information

If you have any questions, please phone on 732530 or write to the address below.

Guernsey Social Security Authority
Edward T Wheadon House
St Peter Port
Guernsey
GY1 3WH

e-mail: enquiry@gssa.gov.gg

Appendix 2

Cash flows showing cost of restored widows' pensions for married women aged 45 or over as at 31 December 2003.

Figures provided by Government Actuary's Department

Year	Cost
2004	£0
2005	£282,000
2006	£470,000
2007	£569,000
2008	£712,000
2009	£943,000
2010	£924,000
2011	£909,000
2012	£864,000
2013	£803,000
2014	£691,000
2015	£589,000
2016	£492,000
2017	£400,000
2018	£313,000
2019	£234,000
2020	£187,000
2021	£139,000
2022	£91,000
2023	£44,000
2024	£0
Total cost	£9,656,000

Costs are expressed in 2011 terms

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

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port
Guernsey
GY1 1FH

3 May 2011

Dear Sir

REQUÊTE: ABOLITION OF WIDOW'S PENSION – COMPENSATION SCHEME

Thank you for your letter dated 28 March 2011, enclosing a copy of a Requête signed by Deputy Paint and others, inviting the comments of the Treasury and Resources Department.

In considering this matter my Board was aware of the estimated cost of a compensation scheme as included in the comments by the Social Security Department. My Board is concerned that these costs are quite considerable with a back payment of around £4.8 million required to cover the period 2004 to 2011, and a further annual funding requirement of £864,000 in 2012 reducing to £44,000 in 2023.

The Requête envisages that any scheme would need to be funded '*outside of the Guernsey Insurance Fund*' and therefore the only option for funding would be from General Revenue.

My Board is concerned, that if the Requête is successful and such a scheme is subsequently introduced, existing services may need to be cut or the introduction of other prioritised services delayed in order for the States to remain within its Fiscal Policy of a real term freeze on aggregate States revenue expenditure.

Therefore, by a majority, the Treasury and Resources Department does not support the Requête.

Yours sincerely

C N K Parkinson
Minister

(NB The Policy Council, by a majority, concurs with the key points set out in the Social Security Department's appended letter dated 26th April 2011 and opposes the prayer of the Requête. Accordingly it recommends the States not to approve it.)

The States are asked to decide:-

V.- Whether, after consideration of the Requête dated 17th March, 2011 signed by Deputy BJE Paint and 13 other Members of the States, they are of the opinion:-

To direct the Social Security Department to report back to the States by no later than their January 2012 Meeting with recommendations for the establishment of a scheme under which applications may be submitted by persons who had attained the age of 45 on or before 31 December 2003 and who would have become eligible to receive a widow's pension in accordance with section 32 of the Social Insurance (Guernsey) Law, 1978 (as it applied prior to 1 January 2004) had it not been repealed and replaced with effect from 1 January 2004 for appropriate payments to be made on an *ex gratia* basis.

STATUTORY INSTRUMENTS LAID BEFORE THE STATES**THE HEALTH SERVICE (BENEFIT) (LIMITED LIST)
(PHARMACEUTICAL BENEFIT) (AMENDMENT NO.2) REGULATIONS,
2011**

In pursuance of Section 35 of The Health Service (Benefit) (Guernsey) Law, 1990, the Health Service (Benefit) (Limited List) (Pharmaceutical Benefit) (Amendment No.2) Regulations, 2011, made by the Social Security Department on 6 April 2011, are laid before the States.

EXPLANATORY NOTE

These Regulations add to the limited list of drugs and medicines available as pharmaceutical benefit which may be ordered to be supplied by medical prescriptions issued by medical practitioners.

These Regulations came into operation on 6 April 2011.

**THE COPYRIGHT (PRESCRIBED LIBRARIES AND ARCHIVES AND
COPYING OF COPYRIGHT MATERIAL) REGULATIONS, 2011**

In pursuance of Sections 50(1), (2), (3) and (6) and 51 to 57 of the Copyright Ordinance, 2005, The Copyright (Prescribed Libraries and Archives and Copying of Copyright Material) Regulations, 2011 made by the Commerce and Employment Department on 12th day of April 2011, is laid before the States.

EXPLANATORY NOTE

These Regulations prescribe libraries and archives for the purpose of sections 50-57 of the Copyright Ordinance, 2005. Sections 50-57 of the Ordinance set out arrangements relating to copying which only apply to the libraries and archives that have been prescribed. These Regulations also prescribe certain conditions with which the prescribed libraries and archives must comply in order to avoid infringing the provisions of the Copyright Ordinance, 2005.

These Regulations came into force on the 12th day of April 2011.

APPENDIX 1

COMMERCE AND EMPLOYMENT DEPARTMENT**ANNUAL REPORT OF THE PUBLIC TRUSTEE AND AUDITED ACCOUNTS**

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port
Guernsey
GY1 1FH

12 April 2011

Dear Sir

The Public Trustee (Bailiwick of Guernsey) Law, 2002 provides, in section 6(1) that the Commerce and Employment Department is required to submit the report and accounts to the States of Guernsey on the exercise of the Public Trustee's functions for the preceding year.

I am pleased to enclose a copy of his report and audited accounts for the period 1 January to 31 December 2010.

Section 6 of the Law also provides that the Department may, at the same time, submit its own report commenting on the activities of the Public Trustee during this period.

The Department does not wish to add further comments on the activities of the Public Trustee.

I would be grateful if you would arrange to publish this submission as an Appendix to the Billet concurrent with the States Accounts if possible.

Yours faithfully

Carla McNulty Bauer
Minister

David P. Trestain B.Com.,F.C.A.
Public Trustee



The Minister
Commerce and Employment Department
Raymond Falla House
PO Box 459, Longue Rue
St Martin's
Guernsey
GY1 6AF

14 March 2011

Dear Minister

ANNUAL REPORT OF THE PUBLIC TRUSTEE AND AUDITED ACCOUNTS

Under Section 6 of the Public Trustee (Bailiwick of Guernsey) Law, 2002, I am required to submit to your Department the audited accounts of the Office of the Public Trustee and an annual report on the exercise of my functions as Public Trustee. Under the same Section, the Department must then submit the report and accounts to the States, accompanied, if it so wishes, by its own report containing any comments on the documents.

Accordingly, I enclose three signed copies (two bound, one unbound) of the audited accounts for the year to 31 December 2010 together with my report for the same period.

I should also like again to take this opportunity to express my appreciation of the continuing prompt and efficient administrative services provided to me by the Department's staff.

If you require further information or have any queries on the annual report or the accounts, please do not hesitate to contact me.

Yours sincerely

D P Trestain B.Com, F.C.A.
Public Trustee

**REPORT OF THE PUBLIC TRUSTEE TO THE DEPARTMENT OF COMMERCE
AND EMPLOYMENT
FOR THE YEAR TO 31 DECEMBER 2010**

Introduction

1. Under Section 6(1) of The Public Trustee (Bailiwick of Guernsey) Law, 2002 (“the Law”), the Public Trustee is required in each calendar year to submit to the Department of Commerce and Employment a report on the exercise of his functions in the preceding year together with the audited accounts of the Office of the Public Trustee.

Appointments and Assets held in Trust

2. The Public Trustee remained as trustee of the two trusts to which he was appointed in 2004, as set out in the report for that period.
3. In May 2010, on the application of the administrators of a local fiduciary company, Kingston Management (Guernsey) Limited (“Kingston”), the Public Trustee was appointed by the Royal Court to act as trustee of four trusts previously in the care of the company.
4. The major part of Kingston’s trust business was transferred to other trustees. However, there were problems associated with the above trusts which, because of legal and regulatory provisions in this and other jurisdictions, prevented their transfer to other commercial trustees.
5. When the Office of the Public Trustee was established by the States in 2004, it was envisaged that in most cases trusts would be administered on behalf of the Public Trustee by professional providers of trust services. A local fiduciary company with appropriate experience has been engaged to administer the trusts.
6. It is not possible at the present time to state with precision the total actual value of the assets held in trust by the Public Trustee since most of their book value is represented by unquoted investments. The gathering of up to date accurate information on these is still in progress. The book value of the assets, converted to sterling and adjusted to actual values where known, is between £8 million and £9 million.
7. Since May, there have been no further appointments of the Public Trustee to act as trustee. However, there have been discussions during the year concerning a situation which is likely to result in one or more appointments being made in 2011.

Accounts and Auditors’ Report

8. The accounts of the Office of the Public Trustee for the year to 31 December 2010, together with the auditors’ report thereon, accompany this report.

9. The figures in the accounts for 2010 bear little relation to those of previous years. Prior to 2010, the Public Trustee was acting as trustee solely for two trusts which were effectively dormant and whose only assets were cash deposits. Work levels were correspondingly low. Three of the four trusts to which the Public Trustee was appointed in 2010 presented significant problems. In the case of two of them, accounting for the major part of the value of the assets referred to paragraph 6 above, their situations were extremely complex and a considerable amount of time has been spent in dealing with them. This is reflected in the amount of Professional fees (£73,162) incurred during the year. Regrettably, work on these matters is still in progress and an early resolution is unlikely.
10. Professional fees account for most of the Trustee fees charged to the trusts (£85,102). As regards the recovery of this amount, a provision of £20,059 for bad debts has been made. Approximately half of the provision relates to the cost of investigations and other work involved in the taking over of one of the Kingston trusts, which has a single asset that cannot be realised and whose value cannot at present be ascertained. The amount may eventually be recoverable if the asset proves to have a realisable value. The remainder of the provision is made in respect of the cost of similar and ongoing work on another of the Kingston trusts to the extent that it cannot be recovered from the liquid assets of the trust. In this case, the trust has a valuable asset that at present cannot be realised. It is anticipated that at some as yet indeterminate time in the future the asset will be realised, when it should be possible to recover the fees charged by the Office of the Public Trustee.
11. Overall, the cost of the Office of the Public Trustee to the States, as measured by the grant received from the States, has increased from £6,892 in 2009 to £26,011 in 2010. Some increase is inevitable as the Public Trustee is appointed to act as trustee for more trusts, as has happened in 2010. The Law states that the fees that may be recovered in any particular case shall not exceed the costs actually and reasonably incurred on that case. Thus, shortfalls arising on individual cases, in circumstances such as those outlined in paragraph 10 above and in others, cannot be recovered by increases in fees charged elsewhere.

Conclusion

12. In the policy letter to the States which led to the establishment of the Office of the Public Trustee, the need for a Public Trustee was firmly linked to the recently introduced regulation of the fiduciary industry. Although there may be a variety of circumstances in which the Public Trustee may be appointed to act as trustee, the primary function was seen as being a trustee of last resort where a fiduciary business had been unable to obtain or renew its licence and was consequently unable to act as trustee of the trusts in its care. In such cases, it can be expected that most of the trust portfolio will be taken over by other trustees, leaving the more problematic trusts. Commercial fiduciary companies would usually be unwilling to take these on or would be prevented from doing so by regulations and good trustee practice. If no other practical means of resolution are available, the Public Trustee may then be appointed to act as trustee.
13. However, 2010 is the first year since the Office of the Public Trustee was established in 2004 that such appointments have been made. Furthermore, the two trusts to which the

Public Trustee was appointed in 2004 were unconnected with the mainstream of trust business in the Bailiwick, being special situations, as detailed in the report for that year, where the beneficiaries could not be found or identified.

14. Although the services of the Public Trustee have been called upon to a greater extent than in previous years, the increase in 2010 relates to a single isolated situation. As far as can be foreseen at present, the same would apply to any appointments in 2011. In the circumstances, therefore, the increase should not be seen as a negative reflection on the continuing health and well regulated conduct of trust business in the Bailiwick.

D P Trestain B.Com., F.C.A.
Public Trustee
Bailiwick of Guernsey

OFFICE OF THE PUBLIC TRUSTEE

STATEMENT OF ACCOUNT

31st DECEMBER, 2010

LINCE SALISBURY

Chartered Accountants

Avenue House,

St. Julian's Avenue,

St. Peter Port,

GUERNSEY

OFFICE OF THE PUBLIC TRUSTEE

Statement of responsibilities for the preparation of financial statements

In accordance with The Public Trustee (Bailiwick of Guernsey) Law, 2002 the Public Trustee is responsible for the preparation of a statement of account for each financial year which gives a true and fair view of the state of affairs of The Office of the Public Trustee. He is responsible for selecting suitable accounting policies and, in preparing the statement of account the Public Trustee is expected to:

- * apply suitable accounting policies on a consistent basis;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the accounts; and
- * prepare the statement of account on a going concern basis, unless it is inappropriate to do so.

The Public Trustee acknowledges responsibility for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of The Office of the Public Trustee.

It is the responsibility of The Office of the Public Trustee to identify and install a system of internal controls, including financial controls, which is adequate for its own purposes. Thus The Office of the Public Trustee is responsible for safeguarding the assets in its care and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE OFFICE OF THE PUBLIC TRUSTEE

We have audited the financial statements of The Office of the Public Trustee for the year ended 31st December, 2010 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of The Office and Auditors

The Office is responsible for the preparation of the financial statements in accordance with applicable Guernsey law and United Kingdom Generally Accepted Accounting Practice.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared. We also report to you if, in our opinion, The Office has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland), issued by the Auditing Practices Board. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by The Office in the preparation of the financial statements and of whether the accounting policies are appropriate to The Office's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the affairs of The Office at 31st December, 2010 and of its deficit for the year then ended.

Lince Salisbury Limited

LOH March 2011
Avenue House,
St. Julian's Avenue,
St. Peter Port,
GUERNSEY

LINCE SALISBURY LIMITED
CHARTERED ACCOUNTANTS


OFFICE OF THE PUBLIC TRUSTEEINCOME AND EXPENDITURE ACCOUNTFOR THE YEAR ENDED 31st DECEMBER, 2010

	Note	2010 £	2009 £
Income	1		
Grant from States General Revenue Account		26,011	6,892
Trustee fees		85,102	225
		<hr/> 111,113	<hr/> 7,117
Expenditure	1		
Audit fees		2,500	1,150
Bank charges		63	63
Legal Fees		2,355	-
Office administration		501	333
Public Trustee remuneration		13,548	7,241
Professional fees - Trust and Company Administration		73,162	-
Provision for doubtful debts		20,059	-
		<hr/> 112,188	<hr/> 8,787
Deficit of income over expenditure for the year		<hr/> £(1,075)	<hr/> £(1,670)

OFFICE OF THE PUBLIC TRUSTEEBALANCE SHEET AT 31st DECEMBER, 2010

	Note	2010 £	2009 £
Current assets			
Debtors		65,042	225
Bank		2,639	2,601
		<u>67,681</u>	<u>2,826</u>
Current liabilities			
Creditors	3	64,564	59
Accruals	3	2,505	1,080
		<u>67,069</u>	<u>1,139</u>
Net assets		<u>£612</u>	<u>£1,687</u>
The Public Trustee Fund			
Retained surplus of income over expenditure	4	<u>£612</u>	<u>£1,687</u>

The balance sheet was approved on *10 March* 2011



 D Trestain
 Public Trustee

OFFICE OF THE PUBLIC TRUSTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER, 2010

1. ACCOUNTING POLICIES

Historical Cost Convention

The statement of account is prepared under the historical cost convention and in accordance with UK applicable accounting standards.

Grants

Grants from the States of Guernsey Commerce and Employment Department are included on a received basis. Grants have been recognised as revenue items.

Other income and expenditure

Other income and expenditure is included on an accruals basis.

2. TAXATION

The Office of the Public Trustee is not subject to States of Guernsey Income Tax.

3. CREDITORS AND ACCRUALS

	2010 £	2009 £
<u>Creditors</u>		
Professional trust administration fees and Deputy Trustee charges from Commerce & Employment Department	£ 64,564	£ 59
<u>Accruals</u>		
Audit fee	2,500	1,075
Bank charges	5	5
	£ 2,505	£ 1,080

4. THE PUBLIC TRUSTEE FUND

Balance brought forward	1,687	3,357
Deficit for year	(1,075)	(1,670)
Carried forward	£ 612	£ 1,687

APPENDIX 2

COMMERCE AND EMPLOYMENT DEPARTMENT
ANNUAL REPORT OF THE DIRECTOR OF CIVIL AVIATION

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port
Guernsey
GY1 1FH

28 March 2010

Dear Sir

The Aviation (Bailiwick of Guernsey) Law, 2008 provides, in section 10, that the Commerce and Employment Department is required to submit the Annual Report of the Director of Civil Aviation to the States of Guernsey.

I am pleased to enclose a copy of his report for the period 1 January to 31 December 2010.

Section 10 of the Law also provides that the Department may, at the same time, submit its own report commenting on the activities of the Director of Civil Aviation during this period.

The Department wishes to acknowledge that in addition to his regular duties, specifically tackled a number of unforeseen challenges during the year – particularly the volcanic ash crisis that impacted on aviation over a wide area. His continuing work as Director of Civil Aviation for Jersey is proving fruitful in terms of pan CI co-operation.

I would be grateful if you would arrange to publish this submission as an Appendix to the June Billet.

Yours faithfully

Carla McNulty Bauer
Minister

BAILIWICK of GUERNSEY DIRECTOR OF CIVIL AVIATION

Annual Report for 2010

Foreword, by the Director of Civil Aviation – Fergus Woods

This report is delivered in accordance with section 10 of the Aviation (Bailiwick of Guernsey) Law, 2008. 2010 was the first full year of activity for the Director of Civil Aviation, his Office having been established on 1 February 2009.

My report attempts to provide a feel for what is involved in the work of the DCA. We can be grateful, that most of my activities are “routine” in terms of assuring aviation safety for all users of the aerodromes and airspace in the Bailiwick. Safety is top of the list for everyone charged with the responsibility of providing aviation services here. Provided we all do our jobs well and properly we can be satisfied that we have contributed our best to achieving the highest standards of safety for all who fly to and from our airports. That is the “routine” that we have established and wish to maintain.

In addition, there are a number of events and projects which add interest to the work of the DCA. These include:

- Co-operation with Jersey on the DCA project brings benefits of efficiency and added value that would be otherwise lost if the role was handled separately
- Working with the design and regulatory agencies on the new GPS based instrument approaches for Alderney has been a new and rewarding experience
- The aircraft registry project, whilst demanding of my time and effort, holds real potential for economic and reputational benefits for the Channel Islands. It is a privilege to be involved in such work.
- The volcanic ash crisis of April/May 2010 was no fun for anyone who was caught up in it, but the challenge of finding acceptable solutions to the problems proved to be an exciting and interesting time.
- Finally, wrestling with the concept of EMAS - a late contender as a potential additional design element in the Guernsey Airport runway project - brought its own challenges in finding the appropriate, reasonable and fair regulatory approach.



Director of Civil Aviation for the Bailiwick of Guernsey

March 2011

1. Principal Activities

The focus of the Director of Civil Aviation's activities remains the carrying out of his functions under the Aviation (Bailiwick of Guernsey) Law, 2008. A description of his role is further expanded in the extract from the Commerce and Employment Department's Business Plan for 2010 attached at **Appendix 1**.

2. ICAO Compliance

The DCA is obliged under the Aviation (Bailiwick of Guernsey) Law, 2008 to ensure that Guernsey is compliant with the Chicago Convention of 1944 and its Annexes, "so far as possible". This is commonly referred to as being "ICAO compliant". In determining how an applicant should demonstrate compliance with the ICAO Standards and Recommended Practices (SARPS), guidance is provided in UK Civil Aviation Authority (CAA) publications (CAPs). Schedule 2 of the Law states "*insofar as is necessary to meet the requirements of the specified ICAO Annexes the requirements of the CAPs shall be met*".

The DCA is granted certain discretion in the application of the CAPs, the idea being that the ICAO Annexes state the requirements, but do not provide guidance as to how the requirements should be implemented. The CAPs, however, are much more detailed in that regard and, not only largely replicate the Annex SARPS, but also provide detailed guidance as to how to apply them. Therein is the principal value and the purpose of referring to the CAPs under the Guernsey law. But note that ICAO is our standard. It is therefore quite possible for the DCA's decision or opinion to vary from the CAA's in any particular case; although, in practice, it is unlikely for that to happen on many occasions.

3. Co-operation with Jersey

The arrangement with Jersey, whereby the role of the DCA is shared between the Bailiwicks, continues to work extremely well to the benefit of both islands and is expected to endure throughout the engagement of the current post holder.

4. Aircraft Registry for the Channel Islands

The joint working arrangement between Guernsey and Jersey has been a key driver in a new area of activity involving the DCA; that of conducting a feasibility study into the establishment of an aircraft registry for the Channel Islands. When the idea of investigating the concept was formally proposed, it was natural to consider it in terms of a joint arrangement with Jersey since the regulatory functions of an aircraft registry would be performed by the DCA. Although a certain amount of background work had been done in the previous eighteen months, the study commenced in earnest in December 2010 with the appointment of an aviation consultancy to assist and support the DCA in formulating a proposal. This followed a period during September to November when a joint procurement process took place to find a suitable partner with whom the task would be conducted. An initial proposal is due to be delivered by the end of March 2011

in time for it to go forward into Guernsey States' New Service Development Bid process, which will run from April until October 2011. The current plan is to complete a further phase of preparatory work during 2012 prior to launching the aircraft registry sometime in the following year, subject to the bid being successful in 2011.

5. Miscellaneous Activities

Guernsey Airport and the DCA have been involved in a European funded project to develop Satellite Based Augmentation System (SBAS) Instrument approaches at Alderney. The project is set to deliver a fully approved set of approach procedures for Alderney using the GPS based SBAS system during 2011. This is part of a wider set of trials to encourage greater use of satellite based procedures to complement (and eventually replace) existing terrestrial based radio navigation systems. It is heartening to see Guernsey participating so actively in this leading edge aspect of aviation technology; and it is all the more gratifying given that the funding for the project comes from EUROCONTROL (the organisation responsible for the harmonisation and integration of air navigation services in Europe).

The DCA is also a member of the project team tasked with procuring replacement radar for Guernsey airport due for delivery in 2012. The radar is intended to provide both Primary and Secondary functions and will be integrated with similar equipment being procured in Jersey to offer mutual support and resilience in the event of a failure or temporary unserviceability of either unit.

In September, the annual Battle of Britain air display went ahead as a very successful and major aviation event on the Island, approved by the DCA in accordance with the Aviation Law.

6. Volcanic Ash Crisis

During April and May of 2010 much of global aviation was severely affected by the Icelandic volcanic ash crisis. Whilst we suffered some disruption to flights in the Bailiwick, the main problem resulted from the temporary closure of airspace in France and the UK to commercial flights, at times for periods lasting 2 – 3 days. In the Channel Islands we managed to re-instate inter-island flights and private flying very quickly after the initial blanket closure of all the airspace affected by the ash cloud. In concert with the other major aviation states we now have in place clear guidelines for use by operators and by air traffic services in the event of future volcanic activity in the region. These guidelines cannot guarantee that aviation activities will continue to operate unabated during a volcanic incident. However, they will ensure that a clear and sensible policy will be implemented to enable as much flying as possible to be conducted provided it is safe to do so.

7. DCA – Functions

a. Regulate the Safety of Aerodromes, Air Traffic and Air Transport Services

Aerodrome – Regulatory activities related to the Guernsey Airport Pavement Project have continued to demand a significant amount of attention from the DCA. In August 2010 the department of the CAA responsible for aerodromes published a policy statement relating to the use of Engineered Material Arrestor Systems (EMAS) at UK licensed aerodromes. The CAA formally adopted the policy in October 2010. This created a significant amount of interest locally when various parties began to consider how the introduction of EMAS into the equation might affect the proposed design for the runway end safety areas (RESA). From a regulatory point of view, the system certainly offers serious potential for safety enhancement of aerodrome RESAs in certain situations. Its potential is all the more important in situations where the runway is physically constrained due to obstacles such as bodies of water, railways, major roads, populated areas or severe drop-off of terrain. It is the DCA's opinion that Guernsey Airport is not so physically constrained as to be unable to accommodate a "standard" EMAS installation should the Airport decide that it wished to use the system at either or both ends of the runway. A "standard" EMAS installation would take up a minimum of 180 metres beyond the runway end. This compares to a traditional grass RESA of 240 metres plus 60 metres of "runway strip", making a total of 300 metres. The potential saving of up to 120 metres at each end would be a decision for the applicant to make. In doing so, of course, any benefit arising from using EMAS as part of the RESA solution would need to be balanced against the significantly increased cost of installation.

An audit of the aerodrome and Rescue and Fire Fighting Service took place in March 2010. This was part of a 15 month rolling programme of formal audit and inspection of the facilities conducted with the assistance of expert inspectors from the UK Civil Aviation Authority. There were no major findings. Accordingly, the aerodrome licences issued to both Guernsey and Alderney airports remain valid on an ongoing basis.

Air Traffic Services – An audit of the Air Traffic Control Unit was conducted in July with advice and assistance of an air traffic control expert from the UK Civil Aviation Authority. The result was highly satisfactory, with no findings of significance to report.

It is important for the continuing validity of the licences of the Air Traffic Controllers employed at our airports that we maintain an element of continuous oversight by the UK CAA. This is achieved, in part, by inviting the CAA to participate in the annual audit process, during which they can assure themselves of Guernsey's continuing compliance with international aviation standards.

b. Permissions and Exemptions

The DCA issued a number of permissions under the Aviation Law and exemptions from it for certain aviation activities. Most exemptions relate to foreign aircraft seeking to fly in our airspace whilst operating on a Permit rather than a full Certificate of Airworthiness, as normally required by the law. This is usually the case for small sport and recreational aircraft, sometimes home-built, which operate under proportionate airworthiness standards developed in concert with local representative bodies. When such aircraft are registered in the UK, they benefit from a general exemption issued by the DCA which means they do not need to obtain one individual to the specific aircraft. The DCA has accepted the airworthiness standards set by the UK Light Aircraft Association as fit for use in the Channel Island; hence the general exemption arrangement for these aircraft. Aircraft registered in countries other than the UK require individual exemptions. Permissions, on the other hand, usually relate to aerial work activities such as aerial surveys or commercial photographic work conducted by operators contracted into the islands for the specific purpose. One additional activity having permission from the DCA is the skydiving operation, based in Jersey, which visits Guernsey from time to time.

c. Fees and charges

Section 4(1)(d) of the Aviation (Bailiwick of Guernsey) Law, 2008 empowers the DCA to determine and prescribe the fees and levies payable on application for the grant of licences, certificates, authorizations, approvals, permissions and exemptions. There are no plans to introduce a scheme of charges for time being. Although one would certainly form part of the proposal on the establishment of an aircraft registry for the Channel Islands.

d. Conduct of Inquiries and Investigations

The DCA has conducted a number of small inquiries following the receipt of aviation Occurrence reports from the airport. These reports are submitted under a culture of 'no blame' with the sole objective of improving aviation safety through a learning process. The number of incidents is few, which indicates that there is no general trend that would raise any cause for concern. The DCA continues to monitor aviation activity in the Bailiwick and will require those involved in serious incidents to explain their actions.

e. Aviation Advice

The DCA provided information and advice to the Department on the subject of Air Passenger Duty, the UK imposed duty, which increased significantly on 1 November 2010.

8. Aviation Objectives

Section 2 of the Aviation (Bailiwick of Guernsey) Law, 2008 charges the DCA to carry out his functions under the Law in a manner that he thinks is best calculated to achieve the “general aviation objectives” set out in the section. These objectives are to ensure a high standard of safety in operating air transport services to, from and within the Bailiwick and extend to furthering the reasonable interests of users of air transport services and of users of the aerodromes in the Bailiwick.

The DCA has upheld the duty imposed on him by the general aviation objectives by providing for the direct safety oversight of the aerodromes of the Bailiwick and their associated air traffic services. Bearing in mind that all aviation public transport services flying into and out of Guernsey and Alderney operate under Air Operator’s Certificates issued by the UK CAA, the DCA has concentrated his efforts on the provision of safe aerodrome and air traffic services in support of these operations. That is our prime responsibility under the Chicago Convention, which established the ICAO system and facilitates the safe movement of international flights around the world. Provided we continue to demonstrate compliance with the international standards set out in the ICAO annexes, we can be sure of our position as a recognised entity in international aviation.

Appendix 1**Extract from the Commerce and Employment Department's Business Plan for 2010: CIVIL AVIATION****ACTIVITIES PLANNED FOR 2010****3. CIVIL AVIATION****Purpose:**

To conduct with fairness, impartiality and independence the regulatory functions to assure a high standard of civil aviation safety in the Bailiwick whilst ensuring that the Bailiwick complies, so far as possible, with the Chicago Convention of 1944 and its associated Annexes. To fulfil Guernsey's contractual obligations to Jersey in providing the equivalent service to Jersey as their Director of Civil Aviation.

Title	Description
Bailiwick Aviation Law	To advise on amendments to the Aviation (Bailiwick of Guernsey) Law, 2008 to ensure it takes account of developments in global standards in aviation safety regulation and to propose appropriate amendments, where necessary, to improve consistency with the equivalent UK and Jersey regulations.
Bailiwick Aviation Law	To act as the independent aviation safety regulator for the Bailiwick of Guernsey, ensuring the efficient administration of the aviation laws and enforcement of the regulatory regime.

Licensing	To regulate the safety of aerodromes, air traffic and air transport services in the Bailiwick. Annual Licensing activity: to be satisfied through continuous oversight and regular audit activity of the fitness of the aerodrome to hold its licence.
Liaison	Ongoing - receive notifications of amendment and proposed amendments to ICAO Annexes from CAA. Consult locally on the proposals and respond through the CAA and DfT. Implement changes where necessary
Liaison	Attend meetings with DfT, CAA and DCAs from Crown Dependencies and Overseas Territories, as appropriate to ensure a consistent approach to the aviation safety regulatory system.

Title	Description
Compliance	Complete post audit activities and actions from the International Civil Aviation Organisation's safety audit of the United Kingdom and its Overseas Territories and Crown Dependencies conducted during February 2009. Implement Corrective Action Plan agreed with CAA and DfT, during 2010 and 2011
Compliance	Grant, renew and validate licences, certificates, authorisations, approvals, permissions and exemptions in a manner consistent with States' Directions and the provisions of the Law. Renew the two General Exemptions issued to facilitate general aviation activity to and on the Island: on 14.08.09 relating to UK registered aircraft operating on a Permit to Fly, and on 28.09.09 permitting UK National PPL holders to operate in Guernsey airspace
Licensing	Monitor, enforce, modify, suspend, revoke or consent to the surrender of licences, certificates, authorisations, approvals, permissions and exemptions in a manner consistent with States' Directions and the provisions of the Law.

Income Generation	Subject to approval of the Department, determine and prescribe the fees and levies payable on an application for the grant, renewal or validation of licences, certificates etc. Subject to appropriate co-ordination with Jersey under the joint DCA arrangements.
Regulatory	Receive and conduct inquiries and investigations (including inspections of aerodromes, aircraft and aviation facilities) and to hear complaints regarding aviation activities.
Advisory	Act as States Aviation Advisor within the Department.
Advisory Regulatory	Act as the Director of Civil Aviation for Jersey under the terms of the contract between Commerce and employment Department and the Office of the Chief Minister for the States of Jersey.

Guernsey Quarterly Inflation Bulletin

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POLICY COUNCIL
THE STATES OF GUERNSEY

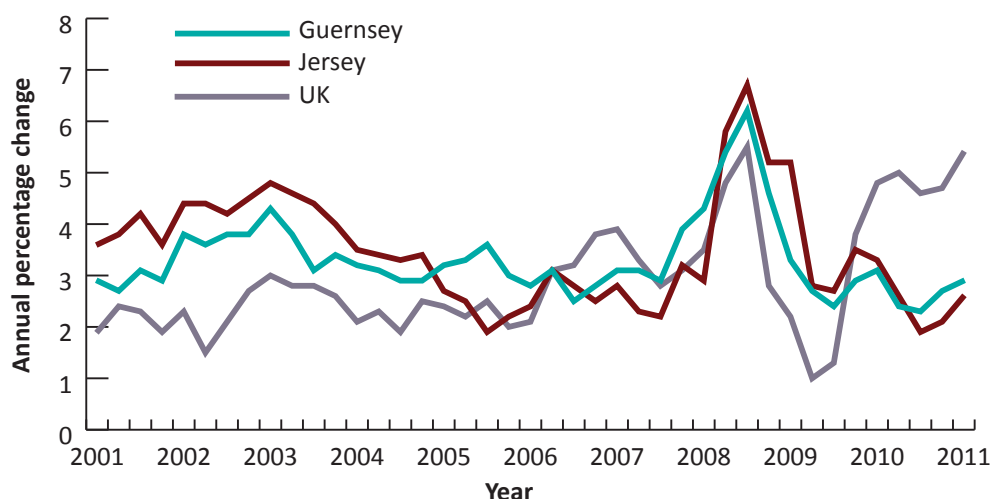
1.1 Introduction

The Guernsey RPIX and RPI are measures of inflation used in Guernsey. They measure the change in the prices of goods and services bought for the purpose of consumption or use by households in Guernsey. The indices are published quarterly by the States of Guernsey Policy and Research Unit. The calculation of the RPIX and RPI are based on the price change of items within a 'shopping basket'. Whilst some prices rise over time, others will fall or fluctuate and the indices represent the average change in these prices. More detailed information on the calculation of these indices can be found at the end of this handout.

1.2 Headlines

- Guernsey's annual inflation as measured by RPIX ('core' inflation excluding mortgage interest payments) was 2.9% in the year ending March 2011, compared to 2.7% in the year ending December 2010 and 3.1% in the year ending March 2010.
- In the UK and Jersey the equivalent RPIX figures for the year ending March 2011 were 5.4% and 2.6% respectively (see [Figure 1.2.1](#)).
- Twelve of the fourteen RPIX groups increased in the year ending March 2011.
- For the sixth successive quarter the fuel, light and power group made the largest contribution (0.7 percentage points) to the annual change in RPIX, having increased by 15.3% in the year ending 31st March 2011.
- The 'all items' RPI inflation rate was also 2.9% in the year ending March 2011, compared to 2.3% in the year ending December 2010 and 3.4% in the year ending March 2010.

Figure 1.2.1: Annual percentage change in RPIX



**IN THE STATES OF THE ISLAND OF GUERNSEY
ON THE 29TH DAY OF JUNE, 2011**

**The States resolved as follows concerning Billet d'État No XI
dated 20th May 2011**

PROJET DE LOI

entitled

THE INHERITANCE (GUERNSEY) LAW, 2011

I .- To approve the draft Projet entitled “The Inheritance (Guernsey) Law, 2011” and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for her Royal Sanction thereto.

**THE HOUSING (CONTROL OF OCCUPATION) (AMENDMENT OF
HOUSING REGISTER) ORDINANCE, 2011**

II.- To approve the draft Ordinance entitled “The Housing (Control of Occupation) (Amendment of Housing Register) Ordinance, 2011” and to direct that the same shall have effect as an Ordinance of the States.

**THE POLICE COMPLAINTS (COMMENCEMENT AND AMENDMENT)
ORDINANCE, 2011**

III. - To approve the draft Ordinance entitled “The Police Complaints (Commencement and Amendment) Ordinance, 2011” and to direct that the same shall have effect as an Ordinance of the States.

HOME DEPARTMENT

AMENDMENT TO DATA PROTECTION LEGISLATION

IV.- After consideration of the Report dated 13th April, 2011, of the Home Department:-

1. To amend subsection (5) of Section 56 of the Law to include the Guernsey Vetting Bureau as an additional source of a “relevant record”.

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

STATUTORY INSTRUMENTS LAID BEFORE THE STATES

**THE HEALTH SERVICE (BENEFIT) (LIMITED LIST) (PHARMACEUTICAL
BENEFIT) (AMENDMENT NO.2) REGULATIONS, 2011**

In pursuance of Section 35 of The Health Service (Benefit) (Guernsey) Law, 1990, the Health Service (Benefit) (Limited List) (Pharmaceutical Benefit) (Amendment No.2) Regulations, 2011, made by the Social Security Department on 6 April 2011, were laid before the States.

**THE COPYRIGHT (PRESCRIBED LIBRARIES AND ARCHIVES AND COPYING
OF COPYRIGHT MATERIAL) REGULATIONS, 2011**

In pursuance of Sections 50(1), (2), (3) and (6) and 51 to 57 of the Copyright Ordinance, 2005, The Copyright (Prescribed Libraries and Archives and Copying of Copyright Material) Regulations, 2011 made by the Commerce and Employment Department on 12th day of April 2011, were laid before the States.

S M D ROSS
HER MAJESTY'S DEPUTY GREFFIER

**IN THE STATES OF THE ISLAND OF GUERNSEY
ON THE 30TH DAY OF JUNE, 2011**

(Meeting adjourned from 29th June, 2011)

**The States resolved as follows concerning Billet d'État No XI
dated 20th May 2011**

REQUÊTE

ABOLITION OF WIDOW'S PENSION – COMPENSATION SCHEME

V. After consideration of the Requête dated 17th March, 2011 signed by Deputy B. J. E. Paint and 13 other Members of the States:-

TO NEGATIVE THE PROPOSITION to direct the Social Security Department to report back to the States by no later than their January 2012 Meeting with recommendations for the establishment of a scheme under which applications may be submitted by persons who had attained the age of 45 on or before 31 December 2003 and who would have become eligible to receive a widow's pension in accordance with section 32 of the Social Insurance (Guernsey) Law, 1978 (as it applied prior to 1 January 2004) had it not been repealed and replaced with effect from 1 January 2004 for appropriate payments to be made on an ex gratia basis.

**D J ROBILLIARD
HER MAJESTY'S DEPUTY GREFFIER**