



BILLET D'ÉTAT

TUESDAY 11th OCTOBER 2011

XVI
2011

1. Policy Council – States Strategic Plan 2011-2016, p.1879

APPENDICES

1. Policy Council – Department and Committee Policy Plan Summaries, p. 2008
2. Policy Council – States Strategic Monitoring Report, (under separate cover)

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 **TUESDAY**, the **11th OCTOBER 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
2 September 2011

POLICY COUNCIL

THE STATES STRATEGIC PLAN 2011-2016

COVERING REPORT

Foreword from the Chairman of the States Strategic Plan Team

In 2009 the Policy Council established the States Strategic Plan Team to develop a better co-ordinated approach to States policymaking and financial management and I have been its chairman since that time. As I am standing down as chairman after this year's SSP debate and leaving the States next April, this Foreword gives me the opportunity to reflect on what has been achieved since 2009 and what remains to be done.

When the SSP Team began its work it was in the aftermath of the attempt to develop a Government Business Plan (GBP), during the 2004-2008 States term. The GBP was built around a set of political priorities originally derived from States Members' election manifestoes that were 'cascaded down' to specific intended actions. The aim of the GBP was to express the political consensus within the States in a form that would set a clearer direction for government action. By 2008, however, the GBP had not progressed to a point that demonstrated how these political priorities could be integrated with departmental and cross-departmental policymaking and with the practicalities of States financial management. This meant that the GBP could be justifiably criticised as a wish list rather than representing an effective process for managing government business and being held accountable for achieving results.

The decision of the new States in 2008 not to proceed with the GBP in its then current form enabled the SSP Team, reporting to the Policy Council, to take a different approach but still with the same aim of setting out what the States wish to achieve. The SSP has refined the expression of States corporate objectives; linked these objectives to the prioritisation of spending and created a family of Policy Plans and Island Resource Plans to assist the States to make their decisions with the benefit of a wider and longer-term context. The former Sustainable Guernsey Report has also been replaced with a States Strategic Monitoring Report to put a stronger focus on the effectiveness of States policies.

In the process, the SSP has introduced the concept of rolling 5-year financial plans, which in due course will lead to multi-year as opposed to annual budgets and the financial prioritisation techniques pioneered, in Guernsey, in the first Capital Programme have been refined and applied to choices about revenue spending. These same techniques can be applied across the whole of the States' expenditure, and will therefore pave the way for zero-cost-base budgeting.

The objective has been to create a line of authority or ‘golden thread’ from the definition of the corporate objectives of the States, through long-term Policy and Resource planning, to a costed and prioritised work programme, to performance monitoring to ensure that the States is achieving its goals.

The SSP is a tool for delivering effective government. The diagrammatic representations of the SSP and the processes involved in it, shown on pages (after Paragraph 3.23), illustrate the point that the SSP is at heart quite straightforward. However, like any new tool, it will take time before the users (the States, the public administration and indeed the general public) become familiar with it. It is very important that the induction process for new Members of the States, following the elections next year, should provide new Members with an understanding of how the tool should be used.

The SSP does not limit political choices, other than in requiring a degree of consistency between service delivery policies and resources. It does not determine the structures of government or what form of government Guernsey should have. It is not inimical to consensus government, but rather, it is a process which can make consensus government effective. However what it certainly and intentionally militates against is chaotic and disjointed government.

For the future, the principal issues that remain to be addressed are the clarity of States corporate objectives as an expression of what the majority of States Members want government to achieve; the development of political accountability for the objectives and of public sector responsibility for efficient, cost-effective delivery. This is an area where the Scrutiny and Public Accounts Committees will have an increasingly important rôle to play in exercising oversight.

In addition, bearing in mind my other responsibilities as Treasury and Resources Minister, financial controls and financial records still need to be improved to ensure the cost-effective use of public money and, in my view, the States need to adopt zero-cost-base budgeting if they wish to test the rationale for expenditure against States objectives. These are all matters where financial management complements policy planning.

Overall, I believe that substantial strides have been made in less than three years to develop a credible States Strategic Plan. Where there are gaps in the structure such as the Population Management Plan and the Strategic Land Use Plan these should be filled before the end of this States term, and the structure itself has helped us to identify the gaps.

Having said that, the SSP is of course a ‘living’ document, and it will never be ‘finished’. It will evolve to reflect the priorities of future States, but the basics are now in place and I hope this gives the next States a sound platform from which to build. As a final statement I can do no better than to quote from last year’s Foreword:

“Overall the SSP attempts to provide the States with a comprehensive context for making decisions. Increasingly, there are difficult choices to be made about directing the use of limited public resources to meet the most important government priorities.

As the Plan matures and becomes embedded in the way the States work it should help to make government better focused, cost-effective and accountable to the public.”

Deputy C N K Parkinson
Chairman
States Strategic Plan Team

The SSP Team is a Policy Council sub-group. The Chairman and Deputy Chairman are Ministers and permanent members. The other five members are not Ministers. They serve for a period and are then replaced by others on a rotational basis.

Members of the SSP Team during the preparation of this report:

- Deputy C S McNulty Bauer (Deputy Chairman)
- Deputy A H Brouard
- Deputy M G G Garrett
- Deputy J A B Gollop
- Deputy A H Langlois
- Deputy R W Sillars.

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2. EXECUTIVE SUMMARY

- 2.1 The purpose of the States Strategic Plan (SSP) is to act as a tool to enable the States to decide what they want to achieve over the medium to long term and how they will allocate limited public resources to fulfil those objectives.
- 2.2 Although its title implies that it is a single plan it is in fact a family or suite of plans which have inter-relationships with each other. This report includes two illustrations or pictograms which provide simple visual images to assist understanding of the SSP: one identifies the family of plans; the other shows how each plan plays a part in the States decision-making process.
- 2.3 Importantly, the SSP is designed to enable a ‘joined-up’ approach within Guernsey’s consensus form of government so that the States are better able to meet the principles of good governance and achieve results in both financial discipline and efficient delivery of public services. The SSP can adapt over time to different political agendas. The framework itself does not need to be dismantled to enable changes of direction. At all times, however, the SSP assists consistency and co-ordinated thinking and militates against disjointed government.
- 2.4 This is the third cycle of the SSP which has only been in existence since 2009 and is continually evolving. As part of the incremental development and improvement of the plan, the report to the States this year is being presented in two parts. First, there is a covering report which describes the context in which the SSP has been prepared and the way in which the planning process is supporting cultural change within the public sector. Second, there is a separate annexe which is referred to throughout this document as ‘the Plan’, which contains the annual reviews and progress reports of each individual element within the ‘family of plans’.
- 2.5 Although the Plan annexe follows the descriptive covering report within the overall document it is the core component of the SSP. Following the States debate, the Policy Council will republish the Plan annexe, as approved, with an appropriate explanatory introduction. The States are being asked to note this intention. The publication of the SSP will help to increase public awareness of States policy and how, in future, decisions will increasingly be made with an appreciation of the wider consequences for the achievement of States objectives.
- 2.6 This year, there are concise reviews of the Fiscal and Economic Policy; Social Policy and Environmental Policy Plans with updates on current projects either within the reviews or on the States website. There are also progress reports on the development of the four Island Resource Plans for Population Management; Energy; Strategic Land Use; and Island Infrastructure. The Infrastructure Plan continues to be under development but work undertaken to date has revealed that much more needs to be done within Departments to plan for adequate investment in the medium to long term. Specific propositions are being put to the States in this regard.

- 2.7 Revisions to the Policy Plans include the clarification of objectives. The objectives have been revised with reference to a standard glossary of policy terms provided by the Policy Council through the States Strategic Plan Team and published in this document. The glossary is one of the measures being taken to increase the consistency of policymaking across government. The revised objectives, in turn, form part of a re-formatted 'Statement of States Objectives' which is intended to focus more clearly on the outcomes that the States are seeking to achieve.
- 2.8 Turning particularly to Social Policy, although progress is being made through a range of projects, including several which were approved in principle as New Service Developments last year, the Social Policy Group notes that progress is still slower than members would like to see. This year, discussions within the group have highlighted eight key areas for change which are embodied in a set of new Specific Policy Objectives. These objectives are about early intervention/prevention; more efficient ways of working both within the States and between the States and the voluntary sector; and promoting independence and employment in order to deliver better outcomes but at the same time to mitigate increases in service costs. The Social Policy Plan highlights the need for closer working with the Fiscal and Economic Policy Group in the next States term to strengthen linkages in policy thinking and map the social and economic outcomes of different options. It is just this sort of joined up thinking that the SSP is intended to encourage and which is particularly important if there is to be effective investment to improve the quality of life for Islanders.
- 2.9 The three Policy Plans cover wide areas of government policy across the mandates of individual States Departments and their function is to present an informed picture of what is happening in each area. They also identify the support that is being sought through the four Island Resource Plans, amongst other things, to enable government to act effectively. The Environmental Plan, for example, raises many issues that are relevant to the Strategic Land Use Plan and the Energy Plan. Social Policy has strong connections to the development of a Population Management Plan and choices to be made about meeting the needs of an ageing population. The SSP is still in the early stages of making these connections but the relationships between plans will develop over time assisting the States to see the 'bigger picture' more clearly.
- 2.10 The business planning section of the Plan builds on work undertaken in previous years by Treasury and Resources staff to provide the Policy Council with a five-year financial forecast model which has been updated to provide outturn estimates for the years 2012-2016 as well as an updated forecast for 2011. Overall, the indication is that spending in 2011 is likely to be in line with the Fiscal & Economic Plan target of no real growth in aggregate expenditure over 2010.
- 2.11 Forecasts for 2012-2016 explain that based on stated assumptions and adhering to agreed policies in respect of general revenue expenditure and

capital appropriations, the ‘central’ or base case that has been developed shows the overall structural budget deficit being eliminated by 2014 with surpluses being generated beyond that point which would replenish the Contingency Reserve. It is strongly emphasised, however, that the forecasting model delivers potential outcomes based on probabilistic forecasts and “no certainty should be ascribed to the outputs. This is particularly true for the later years of the model which are increasingly uncertain and based on layers of assumptions.”

- 2.12 The charts illustrating the forecasts also demonstrate the sensitivity of the modelling to what may appear to be minor changes to income and expenditure. It is pointed out that a difference in tax receipts between Gross Domestic Product (GDP) growth of 1% above central forecast and 1% below could amount to £30m by 2016 and that, although challenging, continued financial restraint and delivery against the Fiscal & Economic Plan target of a real terms freeze on aggregate revenue expenditure contributes materially to fiscal sustainability.
- 2.13 Last year, over sixty New Service Development Proposals (NSDs) were submitted to the Policy Council for funding in 2011 and of these, thirteen were provisionally approved by the States. This year only fourteen NSDs were finally submitted for consideration and of these, nine are being recommended for ‘amber light’, provisional approval of funding in 2012. All NSDs that progress through the SSP ‘gateway’ are subsequently the subject of full business cases. The recommended NSDs are summarised in the business planning section.
- 2.14 An estimated sum of £1.8m will be available from forecast efficiency savings to meet the first year costs of the recommended NSDs. The current States Resolution to fund new services from efficiency savings lapses in 2012 and the SSP includes a recommendation, to the States “To direct the Treasury and Resources Department to develop a policy for the future use of FTP savings and present it for States’ consideration as part of the 2012 Budget Report.”
- 2.15 The remainder of ‘The Plan’ annexe to the SSP consists of tabulated information including three successive programmes of intended legislative drafting work that are underway or to be carried out.
- 2.16 Returning now to the covering report which explains the context and background thinking behind the production of the Plan elements of the SSP, the Foreword from the Chairman of the SSP Team provides a personal perspective on the way the SSP has developed since 2009 and the principal issues that remain to be addressed: “the clarity of States corporate objectives as an expression of what the majority of States Members want government to achieve; the development of political accountability for the objectives and [the development] of public sector responsibility for efficient, cost-effective delivery.”

- 2.17 In terms of Guernsey's external relationships, the Policy Council continues to engage through the External Relations Group with the islands of the Bailiwick, with Jersey and the UK and with the European Union, the United States of America and relevant international bodies such as the Organisation for Economic Co-operation and Development (OECD). The update in the Context section explains the ways in which this engagement enables Guernsey to maintain its international standing and reputation and to respond to global developments notwithstanding the volatile situation since the international financial crisis.
- 2.18 This volatility means that the outlook for the global economy remains very uncertain but the update on the Economy and Fiscal Position in the Context section presents a cautiously reassuring picture of Guernsey's economic performance this year describing local recovery from the downturn as 'weak but [seemingly] well-entrenched'. Business confidence at the beginning of 2011 was shown in the annual Guernsey Chamber of Commerce survey to be very positive. It is noted that the review of corporate taxation is continuing and that the five key criteria of the review remain unchanged: that is, any regime for Guernsey must be competitive; internationally acceptable; sustain the economy; be simple and straightforward and give rise to reciprocal benefits.
- 2.19 The covering report confirms the strategy of eliminating the current aggregate budget deficit (£37.4M in 2010) through expenditure restraint and the realisation of FTP savings as detailed in the business planning section of the Plan.
- 2.20 The substantial 'Integrated Government' section of the covering report explains the rôle of the SSP in supporting good governance; efficient delivery of public services; and financial discipline and management.
- 2.21 The 'Governance' sub-section acknowledges the work being undertaken by the Joint Committees Working Party drawn from the membership of the Scrutiny; Public Accounts; and States Assembly & Constitution Committees to strengthen governance within the public sector. It then identifies what is being done through the SSP to support the principles of good governance via a process that involves:
- Objective setting
 - Policymaking to achieve objectives
 - Management of resources to support policy
 - Financial management to meet policy priorities
 - Well-informed political decision-making
 - Monitoring and review of outcomes
 - Scrutiny of the process.

- 2.22 The 'Efficient Delivery of Public Services' sub-section includes a detailed annual progress report on the FTP and a reference to the Department and Committee Policy Plan Summaries which have been provided as an appendix to the SSP Billet. The FTP report links to the financial forecasts in the business planning aspect of the Plan. The Policy Council notes that the FTP has begun to deliver significant changes this year and that current forecasts show that the programme target is likely to be surpassed with a final total expected to be approximately £31.8m by October 2014 when the programme is completed.
- 2.23 The sub-section of the 'Integrated Government' section that deals with 'The SSP and Financial Planning' provides background information about the prioritisation of funding for proposed New Service Developments in 2012. It reminds the States of the rationale behind the use of Multi-criteria Analysis (MCA) to evaluate the strengths and weaknesses of the proposals, the way the system has been improved this year and the fact that MCA is a tool to inform political decisions but that it is not a substitute for the exercise of political judgment. In this respect, the Policy Council notes that it is recommending a longer list of proposals for funding than was recommended through the evaluation process.
- 2.24 In the sub-section 'Moving Towards Longer Budgeting Horizons – the Link to Policy Planning' the Policy Council acknowledges that despite the progress being made with the SSP there is a gap between the ten to twenty year perspective in the Policy Plans and the annual business planning cycle on the other. Work on a FTP project during 2011-2012 to develop multi-year budgeting should in due course enable Departments and Committees to translate policy aspirations into firm action plans with the reasonable expectation that funding will be forthcoming. The report comments that 'As the practicalities of multi-year budgeting and policymaking are assessed over the coming year the Policy Council hopes it may be possible to meet the challenge of creating a clear political vision for government that is capable of practical implementation by interpreting States Objectives through Department policy and budget plans'. It points out that through this approach 'connections between corporate and departmental thinking may be greatly strengthened in future with each influencing and informing the other'.
- 2.25 The final sections of the covering report deal with legislative drafting priorities (linking to Programme schedules in the Plan), and with the arrangements for managing the SSP in 2012 across the general election period. The Policy Council will maintain the annual review of the SSP next year and has provided a timetable to show, in outline, how this will work. Improved induction arrangements being organised by the States Assembly and Constitution Committee to enable the new States to settle as quickly as possible into their responsibilities will help maintain continuity despite political changes. Whether the process in 2012 involves the use of efficiency saving to fund New Service Developments will depend on the States decision

when this matter is considered as part of the 2012 States Budget debate in December.

- 2.26 In conclusion, this year's annual review of the SSP explains that progress is being made to enable the States to operate consistently as a single, integrated organisation and to do so in accordance with the principles of good governance. The SSP has only been in existence for a short time but although much remains to be done before the Plan is fully understood by States members and the public, it is already demonstrating the value of having a strategic planning process to give a broader and longer-term perspective to government decision-making.

How the covering report, plan and appendices have been structured this year

- 2.27 In 2009 and 2010 the SSP was presented to the States in report form. The business plan element was incorporated in the body of the report but updates on the Policy Plans (Fiscal & Economic, Social and Environmental Policy), and the Island Resource Plans (Population Management, Energy, Strategic Land Use and Island Infrastructure) were provided as appendices. This was because several of the updates were too lengthy to sit comfortably within the report without breaking continuity from the reader's point of view.
- 2.28 This year the SSP is presented to the States in two parts as follows:
- **A covering report** which describes the context in which the plan has been prepared; the way in which the SSP contributes to good governance; the efficient delivery of public services and financial planning; the development of an annual legislative programme and arrangements for managing the SSP in 2012.
 - **The States Strategic Plan** including the States Objectives; updates of the family of individual Policy Plans and Island Resource Plans and a Business Planning section. (Throughout this report this is referred to as the 'Plan'.)
- 2.29 This approach has the benefit of separating background commentary in the report from the SSP itself. The intention is to make the structure of the plan clearer by taking out more general narrative material. This reorganisation has been made possible by keeping the various plan updates as concise as possible so they do not make the SSP as a whole too lengthy. In addition, the arrangement achieves a visual rebalancing of the SSP by placing the business plan element in the context of the States Objectives and the longer-term thinking behind the Policy and Island Resource Plans. It is hoped that this will allay the concerns that some States members have previously expressed that the SSP gives undue prominence to shorter-term financial management considerations.
- 2.30 Finally, it is noted that the first States Strategic Monitoring Report (replacing 'Sustainable Guernsey'), and summaries of the Policy Council, States

Department and Committee Policy Plan Summaries are being provided as appendices to the SSP Billet. There is further reference to this arrangement in the Context Section of this report where the development of the SSP is discussed.

3. THE CONTEXT OF THIS YEAR'S REVIEW

External Relations

- 3.1 Guernsey's domestic success continues to be dependent on its ability to engage and trade with the rest of the world. This engagement happens at both executive and political level on an ongoing basis. By the deployment of resources in London, Brussels and Washington, the Island has developed and is actively implementing, strategies with the objective of maintaining and enhancing the Island's standing within the global community, to preserve the Island's reputation, and to respond to global developments.
- 3.2 During 2010-11 the world has continued to change rapidly in response to the global financial situation, and this is as true of politics as it is of economics. As a result it is increasingly important that Guernsey constructively engages with its neighbours and trading partners. In response to this, the Policy Council through the External Relations Group (ERG), has continued to strengthen relationships within the islands of the Bailiwick, with Jersey and the UK. It has also enhanced relationships with the EU, US and relevant international bodies such as the OECD. Direct engagement is necessary to ensure that Guernsey's views are heard and its position understood. This is best exemplified by the establishment of the Channel Islands Brussels Office (CIBO), a resource shared with Jersey, and which opened officially in April 2011. CIBO has already established a strong presence in Brussels, and is working on a bilateral (Guernsey-EU/EC) as well as trilateral (Guernsey-Jersey-EU/EC) engagement strategy. In the short time since its formal inception, constructive relationships have been built with, among others, the UK and French Permanent Representations to the European Union, with discussions on issues such as financial services and low value consignment relief.
- 3.3 There are many recent examples of the Island being under the spotlight. This means that it is essential to keep under ongoing review the Island's evolving constitutional identity, and to keep track of external perceptions both of that identity as well as of Guernsey's own internal constitution and government.
- 3.4 Significant developments over the past year include the publication of the Ministry of Justice's response to the House of Commons Justice Select Committee's report on Crown Dependencies. In its response the Ministry of Justice (MoJ) agreed with the central findings from the Committee, including the key recommendations that the Dependencies should have more direct engagement with UK Government departments across Whitehall, as well as with international governments and supra-national bodies. The MoJ also

agreed that the Bailiwick's interests need to be considered routinely in any area of UK policy-making likely to affect them.

- 3.5 In a report published in January 2011, the Global Forum on Transparency & Exchange of Information for Tax Purposes confirmed that Guernsey had not only followed through its 2002 commitment to observe the OECD principles on transparency and exchange of information for tax purposes, but had made substantive developments in expanding its exchange of information network. The Phase 1 report also confirmed that Guernsey had in place all the necessary legal and regulatory powers to ensure it can meet the internationally agreed standard on obtaining and exchanging information for tax purposes. The Island is scheduled to undergo a Phase 2 review in 2012 where the review team will look at the practical implementation of the exchange of information process.
- 3.6 January 2011 also saw the publication of six International Monetary Fund (IMF) evaluation reports which recognise and commend the high standards of financial regulation, supervision and stability that Guernsey has developed and put in place along with a robust criminal justice framework. The reports gave Guernsey exceptional ratings and in particular those for anti-money laundering and countering the financing of terrorism were outstanding. This achievement reflects the high degree of commitment and effort by all stakeholders within government, the Law Officers' chambers, the GFSC; and the law enforcement authorities and also the judiciary.
- 3.7 Also in January 2011 Guernsey was also given a category 1 listing by HMRC for tax information exchange, and during the course of 2011 has worked closely with HM Treasury, along with the Foreign and Commonwealth Office and the European Union, to implement and administer internationally agreed sanctions against, *inter alia*, Iran, Ivory Coast, Libya, Syria, Egypt and Tunisia.
- 3.8 The success of the strategic engagement undertaken in Whitehall and Westminster is highlighted by the positive working relationships that the Policy Council has continued to establish with members of the new UK Government as well as the Select Committees that scrutinise Whitehall policy. This has enabled the ERG to continue to adapt to the changing UK political situation effectively. This has been underpinned by the Island's active involvement in the British-Irish Council, at the December 2010 summit in the Isle of Man and the June 2010 summit in London. This in turn has served to further develop relationships at political and official level with the devolved administrations across the UK, and to ensure that relationships remained strong with those administrations after their elections on May 2010. Although much of the ERG's focus is far afield, the Group's oversight of Guernsey's constitutional relationship with Alderney and Sark remains of vital importance.

The Economy and Fiscal Position

- 3.9 At the time of writing the outlook for the global economy remains very uncertain and unsettling. Economic growth has slowed across most major European economies and the US. Most major western economies are weighed down by immediate concerns over the size and cost of financing of public sector deficits and in Europe in particular by question marks over the ability of certain governments to service current and future debts.
- 3.10 The global movement, accentuated by European and UK policy developments, towards greater and more restrictive regulation of the finance sector continues, with a commensurate potential long term economic impact which there has, in the words of the Chairman of the US Federal Reserve ‘been no attempt to quantitatively assess’.
- 3.11 Guernsey’s economic performance through the course of the global downturn has been fortuitously robust and relatively strong. Guernsey did experience an economic contraction during 2009 and present forecasts are that the economy as a whole experienced zero growth in 2010. On present evidence, Guernsey’s recovery from the downturn is weak but seems well entrenched: unemployment and employment have marginally fallen and risen respectively for three consecutive quarters on a seasonally adjusted annualised basis. Business confidence, as evidenced by the annual Guernsey Chamber of Commerce survey, was very positive at the beginning of 2011.
- 3.12 Guernsey’s GDP is measured only annually (and then with a nine month lag), but internal Policy Council estimates suggest growth resumed in the third quarter of 2010 and the current forecast is for growth of 1.4% in 2011, followed by ‘above trend’ growth of 3.3% and 3.7% in 2012 and 2013. That this is above trend needs to be viewed in terms of the economic ‘cycle’ and would follow three years of ‘below trend’ growth. These rates, if achieved, whilst welcome, would be below the heady rates seen in the run up to the global downturn, and growth on this scale will thus most likely feel less prosperous. However, these forecasts are prone to much uncertainty and, if the risks to global growth are, using the language of economists, ‘on the downside’, the same applies to Guernsey. Compounding these risks is the fact that if the European sovereign debt crisis is not successfully managed, the impact, most likely adverse, just cannot be predicted at this stage.
- 3.13 In addition to navigating global economic and regulatory uncertainty, the corporate tax review continues to take place. As was communicated by the Chief Minister to the States in June, the European Union Code of Conduct Group on Business Taxation will formally assess the ‘rollback’ proposals of the Isle of Man and Jersey, whose corporate tax regimes were assessed as harmful in February, later this year. In addition, the territorial regime of Gibraltar will also be informally assessed by the Code Group. Following conclusion of those assessments, it is hoped there will be sufficient clarity for an evaluation of the options for Guernsey to be completed. In any event, the

five key criteria of the review remain unchanged: that is any regime for Guernsey must be competitive; internationally acceptable; sustain the economy; be simple and straightforward; and give rise to reciprocal benefits.

- 3.14 The current ongoing deficit position is one that must continue to be managed, mitigated and then eradicated against this highly uncertain outlook. The SSP sets out the strategy of eliminating the current aggregate deficit (£37.4m in 2010) through expenditure restraint and realisation of savings through the Financial Transformation Programme. The current structural element of the deficit has been estimated to be in the region of £24m - £35m. The independent review of fiscal policy published in December of last year stressed that even if the current strategy is successful, a £20m structural deficit may continue to exist as the level of capital allocations from General Revenue are currently insufficient to meet the States capital investment target of 3% of GDP objective as set out in the Fiscal Framework. Increasing the allocations in line with the framework will increase the deficit. The policy objective of freezing expenditure in real terms, successfully achieved in 2010, remains fundamental to the success of that strategy and is thus of continuing paramount importance.

How the SSP is developing

- 3.15 The SSP is being developed by the Policy Council with the assistance of the SSP Team as a Policy Council sub group, as a tool to enable the States to decide what they want to achieve over the medium to long-term and how they will allocate limited public resources to fulfil those objectives. It is the collective name for a suite or family of plans that each covers an aspect of policymaking or Island resource planning and it also contains a business planning element that connects directly to the States budget and financial management. This concept of a family or suite of plans with different rôles to play in the overall SSP process is illustrated in the following pictograms which are then repeated in the Plan.
- 3.16 The philosophy behind the SSP is to put in place a system to co-ordinate States thinking; help identify and resolve any conflicting objectives and enable the public sector to work more co-operatively and effectively. The complementary development of the new States Strategic Monitoring Report alongside the SSP will, over time, also provide States Members with a better factual insight into the outcomes that are being achieved or influenced through government action.
- 3.17 A key element of the SSP sitting above the various component plans is the Statement of States Objectives and this is explored in the 'SSP and Governance' section of this report. During the year the SSP Team has been working with Policy Groups to re-format their objectives to make them clearer and a draft revision and re-formatting of the Statement of States Objectives is presented for States' consideration in the Plan. Under the heading 'States Corporate Policies', the SSP also includes various long-standing policy statements that need to be set out in the Plan for legal and

regulatory reasons and, for the avoidance of doubt, the States are being asked to re-confirm these by resolution.

- 3.18 Good progress has been made in 2010/2011 to put the full family of plans in place to complete the SSP framework. The current position is as follows:
- 3.19 **The Fiscal & Economic Policy, Social Policy, and Environmental Policy Plans** were approved by the States in July 2009. This year, the SSP provides a second annual update on the Policy Plans in the Plan.
- 3.20 **The Island Resource Plans for Population Management, Energy, Strategic Land Use and Island Infrastructure** have continued to be under development during the year and the Plan provides a progress report on each. At the time of writing, it is expected that the draft Population Management Plan and the Strategic Land Use Plan will be presented to the States before the end of the year and that the revised Energy Plan will follow early in 2012. This will leave the Island Infrastructure Plan as the only one of the four outstanding but the substantial update in the Plan annexe to this report explains the way in which the Infrastructure Plan is moving forward.
- 3.21 What has been highlighted through work on the Island Infrastructure Plan is the current absence of adequate data about existing infrastructure and its condition and the need to fill this information gap to enable timely decisions to be made about investment in maintenance and replacement. Given the vital importance of infrastructure to all aspects of Island life and the scale of capital costs involved in its provision, the necessity of planning ahead is clear. The States is being asked to make some specific resolutions in this respect to ensure that all departments undertake this work.
- 3.22 **The Business Planning element of the SSP** is considered in the ‘SSP and Financial Planning’ section of this report and the development of an annual **Legislative Programme** is described in a short section of its own (Section 5) which is linked to a number of legislative drafting programmes in the Plan.
- 3.23 Although the SSP superseded the Government Business Plan (GBP) in 2009, the mandates of the Policy Council and States Departments and Committees still refer to the GBP as the core document to co-ordinate strategic and corporate policy. The updating of mandates is now overdue and so the States are being asked (see Proposition 20) to direct the States Assembly and Constitution Committee with immediate effect to revise all mandates replacing references to the GBP with references to the SSP.

The States Strategic Plan

A Family of Related Plans



The SSP Process



Policymaking in States Departments and Committees

- 3.24 Last year's SSP report considered concerns expressed by some States members that the States are not given an opportunity to debate policy which is developed at a departmental (or States Committee) level. The report said, "In effect, a 'layer of thinking' is not yet adequately represented in the SSP. The plan needs to demonstrate more clearly the link between the States Objectives; departmental objectives and policies; and the New Service Development projects being brought forward for prioritisation."
- 3.25 After weighing up the pros and cons of options to fill this policy gap in the report, the Policy Council invited States Members' views on the possibility of having annual Strategic Policy Plan reviews and departmental policy debates each spring and proposed to consult further with Members before reporting back with a recommended course of action in this year's SSP report¹.
- 3.26 In January, the SSP Team acting on behalf of the Policy Council organised a half-day meeting with States Members to explain the procedure to be followed for evaluating New Service Development proposals in 2011 and various intended improvements to the SSP including revised ideas for dealing with the departmental and committee layer of policymaking. Rather than proceeding with the original suggestion of having a series of policy planning debates each spring which, on reflection, was seen as unduly time-consuming and cumbersome, the Policy Council through the SSP Team recommended that Department and Committee Policy Plan Summaries should in future be published in an appendix to the SSP Billet.
- 3.27 In the 2010 SSP, the Policy Council had described the variety of views States Members had expressed in consultations that year about the pros and cons of drawing department and committee policy into the SSP process. It was noted that:
- "Some favoured the idea in principle and thought it warranted further investigation but Members generally were very conscious of the potential pitfalls. The concerns and reservations expressed included the following:
- The States as a corporate body should only consider the consistency of department policy with corporate objectives and the broad direction being taken not the detail of policy which should be firmly left to departments.
 - The degree to which States Members should be able to intervene in the work of States Departments needs to be carefully judged to avoid adverse impacts. It is important for the pros and cons of current policy to be fully

¹ This was the subject of a specific resolution: Resolution 8B, Billet d'Etat XIX, 2010, 'That the Policy Council shall proceed to consult with States Members, States Departments and Policy Groups in 2010/2011 on ways to improve the corporate policymaking process and, in particular, on the possible approach to be taken to include departmental policy in the SSP process as described in Section 4 (of the 2010 SSP report).'

understood and for the potential impacts of change to be considered before the States reaches a view.”

- 3.28 Through the January 2011 consultation, the SSP Team explained that it had come to the view that these concerns and pitfalls could be best overcome – at least as a first step in an evolving SSP process – by asking Departments and Committees (including the Policy Council itself), to prepare Policy Plan Summaries. These would replace the *Operational* Plan Summaries appended to the SSP in 2009 and 2010 although all concerned would be asked to place their business plans/operational information on the States Website so that no less information was publicly available as a consequence of the change. By appending the new Policy Plan Summaries to the Billet the presumption would be against amendments being proposed to debate and change policy ‘on the hoof’ although it would be possible to bring a motion to debate under States Rules of Procedure if there was substantial support to do so. There was no significant disagreement with this approach from States Members and the 2011 SSP has proceeded on this basis.

4. INTEGRATED GOVERNMENT

- 4.1 **This section examines the rôle of the SSP in supporting:**
- **Good governance.**
 - **Efficient delivery of public services.**
 - **Financial discipline and management.**
- 4.2 **It identifies things that are happening now and areas where the Policy Council considers that there are challenges to be met to make the SSP process more effective.**
- 4.3 **The section as a whole aims to give a positive answer to the question ‘Is public sector culture changing?’ and to show how the SSP is contributing to this process of change. Referring back to the Foreword to this report the SSP Team Chairman has reminded States Members that the SSP Team has only been in existence since 2009. The SSP’s contribution to organisational change has to be viewed realistically with this in mind. Nonetheless, the following section of the report shows amongst other things, how the principles of good governance; the Financial Transformation Programme and stronger financial discipline reinforced by the strategic planning process are being brought to bear across a broad front to modernise and improve the way the public sector thinks and operates.**

The SSP and Governance

4.4 At its March 2011 meeting, following consideration of a report by the Public Accounts Committee, (Billet d'État IV, 2011) the States of Deliberation resolved, amongst other things, to adopt the six Core Principles of good governance, as determined by the UK Independent Commission on Good Governance in Public Services. These are:

1. Good governance means focusing on the organisation's purpose and on outcomes for citizens and service users.
2. Good governance means performing effectively in clearly defined functions and roles.
3. Good governance means promoting good values for the whole organisation and demonstrating the values of good governance through behaviour.
4. Good governance means taking informed, transparent decisions and managing risk.
5. Good governance means developing the capacity and capability of the governing body to be effective.
6. Good governance means engaging stakeholders and making accountability real.

States Resolutions arising from Billet d'Etat IV, 2011 were:

- “1. To adopt the six Core Principles of good governance as determined by the UK Independent Commission on Good Governance in Public Services.
2. To note the content of Appendices 1 to 5 of that Report.
3. To direct the Public Accounts Committee, the Scrutiny Committee and the States Assembly & Constitution Committee, after consultation with the Policy Council, jointly to present to the March, 2012 meeting of the States of Deliberation, or sooner if possible, a report containing detailed proposals on how in practical terms the six Core Principles of good governance can be applied, and how compliance with them can be measured, within the context of Guernsey's system of government by committees and consensus.
4. To direct that until consideration by the States of Deliberation of the report referred to in proposition 3 above:
 - (a) the Policy Council and Departments and Committees of the States shall give consideration to the suggestions set out in the sections in that Report headed 'Way Forward' in respect of each of the six

Core Principles of good governance as they relate to them respectively; and

- (b) the Policy Council shall include in its statement appended to each Report submitted by a States Department or Committee or group of members in the case of a Requête for inclusion in a Billet d'État in accordance with Rule 2(1)(a) of the Rules of Procedure of the States of Deliberation such assessment as the Policy Council considers necessary relating to the extent to which the Report conforms to the six Core Principles of good governance.

- 5. To direct the Policy Council to incorporate into the States Strategic Plan clear references to the six Core Principles of good governance and the ways in which they are being, or are to be, developed and given effect in order to support the States objectives and the underlying Plans.”
(Underlining provided for emphasis.)

- 4.5 The three full Committees met on 18th April, 2011 to determine how they would undertake this work in respect of Resolution 3 above, which resulted in the formation of the Joint Committees’ Working Party (JCWP) comprising two nominees from each Committee.
- 4.6 The Policy Council understands that the JCWP will complete its report by December, 2011 at the latest, in order for it to be submitted for debate by no later than the March, 2012 meeting of the States of Deliberation.
- 4.7 It is also informed that JCWP intends to consult with stakeholders, including the Policy Council itself, at various stages as the review proceeds.
- 4.8 This section of the SSP report represents the Policy Council’s response to Resolution 5 above which is further strengthened by a specific proposal that a reference to good governance should be included in the revised Statement of States Aims and Objectives as set out in the Plan. Members are asked to refer to Proposition 5.

Progressing good governance in 2009 and 2010

- 4.9 In 2009 the SSP report noted that the SSP included much that was relevant to the principles of good governance:

“

- a focus on the delivery of cost-effective public services;
- reinforcing political accountability;
- setting a consistent direction for government policy with a ‘line of authority’ throughout;
- the co-ordination of policy with the management of public resources;
- a process of annual monitoring and review.”

- 4.10 In 2010, the SSP report repeated this message stating that while much remained to be done, the value of having a corporate planning process was beginning to emerge. Referring to the principles of good governance, the report highlighted that:

“

- The SSP includes a statement of government purpose and States objectives and a monitoring process which will focus on assessing the outcomes being achieved ‘in the real world’ through States policy.
- If the States decide to incorporate an overview of departmental policy in the SSP, this may help to improve the future definition of functions and rôles.
- The SSP is a tool to reinforce common goals and values across government.
- The SSP promotes well-informed and rational decision-making. The approach to prioritising expenditure on new services is an example of this.
- The ability of the States to be effective is strongly supported by the SSP bringing together policy planning and financial planning. Policy Planning alone lacks realism and financial planning alone lacks purpose.
- In the absence of a majority party manifesto/agenda and without requiring an executive form of government, the SSP is capable of setting out a government programme for which the States can be held accountable. Engagement with stakeholders takes place in a multitude of ways through the work of Departments and Committees and through the Policy Groups and their preparation of Policy and Island Resource Plans. The current review of the Strategic Land Use Plan, for example, has involved unprecedented levels of public input through the ‘Guernsey Tomorrow’ initiative.”

- 4.11 This year the SSP has continued to develop with good governance principles in mind as explained in the following sub-sections.

Refining Government Objectives

- 4.12 As part of the SSP consultation with States Members in January, the SSP Team explained that it would be working during the year to refine and re-format the current Statement of States Objectives and that the Policy Council would report back progress in this report. This work relates to Principle 1 of good governance relating to clear organisational purpose.

NB: The current statement endorsed through the SSP last year is set out below. Please refer to the Plan for the revised statement. (See Section 11.)

THE STATES OBJECTIVES

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

- Maintenance and enhancement of Guernsey's standing in the global community.
- Wise long-term management of Island resources.
- Co-ordinated and cost-effective delivery of public services.
- Sustainable economic growth and effective public services without increasing the population to the detriment of our environment and way of life.
- Improved awareness of the culture and identity of Guernsey.

Fiscal and Economic Objectives

- Long run fiscal balance: spending within constraints of the Fiscal Framework.
- Real term freeze on aggregate States revenue expenditure.
- Continuing OECD Tier One Status.
- Average economic growth of 2% or more per annum.
- Stable and low inflation: RPIX 3.0%.
- Continuing full employment.
- Skilled, flexible labour market.
- Diversified, broadly balanced economy.
- Well regulated, competitive domestic markets.
- Modern key strategic infrastructure, public investment averaging 3% of GDP.

Social Policy Objectives

- Foster an inclusive and caring society which supports communities, families and individuals.
- Assist people to help themselves and become independent where possible, by encouraging personal responsibility.
- Promote active and engaged citizenship.
- Promote, and remove barriers to equality, social inclusion and social justice.
- Meet welfare needs and reduce poverty.
- Improve housing availability, quality and affordability.
- Maintain a healthy society and safeguard vulnerable people.
- Maintain the Bailiwick as a safe and secure place to live.
- Promote equality of educational opportunity.
- Encourage all who need, or are able, to work to find employment.

Environmental Policy Objectives

- Reduce our carbon footprint and adapt to climate change.
- Protect our biodiversity and countryside.
- Manage our solid and liquid waste.
- Conserve energy and switch to cleaner fuels.
- To promote sustainable practices.

- 4.13 In a party system of government the winning party's election manifesto sets out an agenda to be achieved during that term of office. In 2004-8 the Government Business Plan represented an attempt to generate an equivalent agenda based on the majority consensus within the States but the plan was abandoned before it could be demonstrated that such 'top-down' politically led approach was compatible with the Guernsey's system of executive

government by committees (i.e. States Departments) and with the States budgetary processes.

- 4.14 The current corporate Statement of Objectives, on the other hand, derives largely from the sets of objectives embodied in the Fiscal and Economic Policy, Social Policy and Environmental Policy Plans. These objectives were drawn up by the relevant Policy Groups which are made up of Ministers and/or other representatives of the departments whose work is most relevant to that area of policy. Unsurprisingly, the objectives are couched in relatively broad and 'high-level' terms. Although they can and are used to test priorities, particularly for spending on New Service Developments they are too generalised in themselves to represent a programme for action during a States term.
- 4.15 Based on the GBP and the SSP experiences, the States face a genuine challenge for the future in creating a clear political vision for government that can also be integrated with the practicalities of departmental policymaking, administration and budgeting.
- 4.16 A drawback with the way in which current States Objectives are written is that some are presented in terms of an 'end state' or outcome to be achieved while others describe the means or journey to get there.
- 4.17 When the SSP Team met States Members in January they explained that efforts would be made this year to rationalise the use of policy terms within the SSP. This has led to the re-formatting of States Objectives and the development of a standard glossary of policy terms which all contributors to the SSP have been asked to take into account. The glossary is provided for reference as part of the Plan. It will take time for policymaking across the States to become more consistent but the Policy Council expects that substantial progress will have been made by 2013. Importantly and for the avoidance of doubt however, the standard glossary cannot and does not override the definition of terms as provided in any Law. (See Paragraph 22.5).
- 4.18 The Policy Council's overall intention as progressed by the SSP Team, has been to make the SSP more accurate in expressing what the States wish to achieve and to encourage greater consistency in the way policy is developed across the public service. The process is inevitably incremental however given the number of parties involved in providing input to the SSP.
- 4.19 The SSP Team asked the Policy Groups to reconsider their objectives and separate them into 'General Objectives' (ie an objective which is likely to remain applicable with no more than minor modifications for many years), and 'Specific Objectives' (ie an objective that is relevant to short-term circumstances; has an end or completion date of some kind and/or is more specific in scope than a General Objective).

- 4.20 In addition, the SSP Team considered the format of the opening section of the Statement of States Objectives to put it in clearer terms.
- 4.21 The draft revised Statement of States Objectives which is the result of this work, forms part of the Plan. This should be regarded as only the next step on the route towards setting out a set of corporate priorities for action.
- 4.22 This report returns to the topic of objective-setting in the section dealing with multi-year budgeting and policy planning.

Clear Links between Policy, Action and Outcomes

- 4.23 The new pictograms that form part of the SSP this year illustrate in simplified terms the linkages between the Corporate Policy Plans, Department and Committee Policy Plans and Island Resource Plans and the way the (currently annual) cycle of the SSP moves through a series of stages.
- 4.24 The SSP process is tailored to Guernsey's particular system of government but is similar in concept to planning processes used across the world in government agencies and the private sector. The sequence involves:
- Objective setting.
 - Policymaking to achieve objectives.
 - Management of resources to support policy.
 - Financial management to meet policy priorities.
 - Well-informed political decision-making.
 - Monitoring and review of outcomes (are objectives being achieved?).
 - Scrutiny of the process.
- 4.25 Although the SSP process itself is politically neutral and provides the means to pursue any direction agreed by a majority of the States, it promotes good governance in the way that policy is developed, implemented, monitored and reviewed with particular reference to Principle 5.

Internal Audit and Risk Management

- 4.26 The Policy Council considers that independent and objective assurance is an essential component of effective corporate governance and welcomes the establishment of the States of Guernsey Internal Audit Unit (IAU) as an independent, objective assurance and consulting activity designed to add value and improve the organisation's operations. It is expected that the IAU will help the States of Guernsey accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes particularly in accordance with governance Principle 4.

- 4.27 A Head of Internal Audit was appointed in December 2010 and has been reinvigorating the approach to internal audit within the States of Guernsey.
- 4.28 The Head of Internal Audit's responsibility is to provide independent, objective assurance to the Chief Executive on the adequacy and effectiveness of the States of Guernsey's risk management, internal control and governance arrangements. Internal controls comprise the whole network of management activities (including financial, operational and other management controls) established to ensure that the States of Guernsey's objectives are met and achieved in an effective, efficient and economic manner. The IAU is not solely interested in financial matters – its remit and focus is much wider.
- 4.29 The Policy Council is aware that the IAU's assurance is provided through a programme of internal audit reviews and associated consulting engagements. Where improvements are required to risk management and control the Unit makes formal recommendations and agrees time-bounded action plans with management that are followed up at regular intervals to help ensure appropriate implementation. As well as providing assurance, the Unit's knowledge of risk management, control and governance enables the IAU to act as a consultant and catalyst for improvement in States practices.
- 4.30 Finally the IAU plays an important role in fraud risk management through deterrent, detection and investigatory activity.
- 4.31 There is an increasing recognition of the importance of risk management within the public sector. Risk in this context refers to uncertainty of outcome – the factors that undermine an organisation's ability to achieve what it has set out to do. Good risk management allows an organisation to:
- Have increased confidence that it will achieve desired outcomes.
 - Constrain threats to acceptable levels.
 - Take informed decisions to pursue opportunities.
 - Give stakeholders in the organisation increased confidence in its ability to deliver.
- 4.32 A programme of work has begun during this year to increase awareness amongst Chief Officers about potential risks to their department's/committee's operational effectiveness. A progress report on this work may be included by the Policy Council as part of the SSP update next year.

Clarifying Political and Executive Responsibilities

- 4.33 At the beginning of 2011 the Policy Council, acting in its capacity as "States Employer", agreed with the Chief Executive to take certain steps to strengthen the authority that the Chief Executive was able to exercise over Chief Officers in order to deliver better performance and corporate working. Specifically, Chief Officer job descriptions were changed to establish a clear line management responsibility between Chief Officers and the Chief

Executive. Chief Officers remain responsible to their Boards for the delivery of matters which fall within departmental mandates but they are accountable to the Chief Executive for their performance both in respect of departmental goals and corporate objectives.

- 4.34 As a consequence of these changes, the format of the Chief Officer Group has also changed such that it now meets on a quarterly (rather than a monthly) basis for a more formal business meeting at which the focus is on reporting progress against targets rather than the previous more informal consideration of a range of issues.
- 4.35 Given the interval between meetings, the make up of the Chief Officer Group and its size, the Chief Executive has formed a smaller Executive Leadership Team (ELT) to support him particularly in the area of driving through change. The team consists of the Chief Executive as Chairman, the Deputy Chief Executive, Chief Officer of T&R, Head of Human Resources & Organisational Development, the Chief Accountant and the Head of Policy and Research.
- 4.36 The Policy Council set aside a special meeting in June to meet with the ELT and to explore, through the means of a facilitated workshop, joint aspirations for improvements to the public sector in future as a backdrop to producing a programme which consolidates various initiatives already in train, including a number of FTP workstreams into a single programme designed to deliver lasting change and corporate improvement.
- 4.37 It is hoped that further clarification in respect of political and executive roles will emerge from the detailed work currently being undertaken by the Joint Committees taking forward the six principles of good governance in the public sector and in particular, governance Principle 2 that effective performance is achieved through clearly defined functions and rôles.

Accountability

- 4.38 In support of good governance and especially Principle 6, the SSP is being developed by the Policy Council to strengthen States' accountability to the public generally and to more specific groups of stakeholders by:
 - Incrementally refining the way in which the States express their objectives so that they can be readily understood by the community.
 - Demonstrating through the various Policy Plans and Island Resource Plan Summaries that government thinking is joined-up rather than disjointed.
 - Identifying areas where there are political choices to be made about competing priorities.
 - Reviewing the impact of States policies and States financial performance.

- Providing a clearer decision-making process that assists the Scrutiny and Public Accounts Committees to review policy and financial management.
- 4.39 The Policy Council intends to re-publish the Plan section of the SSP in its final form following the October debate and the States are being asked to note this intention (Proposition 21). Publication of the SSP is one of a number of actions to be taken to increase public awareness of the SSP process.

The SSP and the Efficient Delivery of Public Services

The Financial Transformation Programme – annual progress report

- 4.40 The 2008 Budget Report announced the Treasury & Resources Department's intention to undertake a Fundamental Spending Review (FSR) as part of its commitment to ensure that public sector expenditure is better controlled and waste and inefficiency reduced.
- 4.41 In 2009, the States supported the principal findings and recommendations of the consultants (then, Tribal Consulting Ltd) and directed the Policy Council to establish a Financial Transformation Programme (FTP) and adopt the proposed governance structure.
- 4.42 Over five years from 2009, the FTP aims to reduce the States baseline budget by at least £31m or 10%. The Programme is being delivered through seven workstreams which manage delivery of all potential opportunities through joint States and consultant leads. The Programme as a whole is co-ordinated by a central team – the Transformation Executive – which reports quarterly to the Policy Council.
- 4.43 **This year, in accordance with a request from the Scrutiny Committee, the Policy Council is providing the annual progress report on the FTP as part of the SSP rather than it being published in the States Annual Accounts. NB: Please refer to the key explaining the Project Reference terms that are provided within this sub-section (Paragraph 4.47).**
- 4.44 During this year the Policy Council has noted that FTP has begun to deliver significant savings. To July 2011, the programme had made recurring budget reductions of some **£3.2m** – which is **over 10%** of the target of **£31.125m**. Of this, £2.7m of the reductions are the product of projects that are finished and will require no more effort.

Projects signed off to date:		
Project Ref	Project description	Savings value
C&L_A	Review charges and facilities at Beau Sejour	£27,000
FIN_X	Ensure all departmental budgets are not out of date, unduly inflated or understated	Enabler project
PROP_008	Review the provision of public conveniences across the island	£115,000
PROP_D	Introduce Energy and Utility efficiency measures and routine monitoring for all States properties	£440,000
VFM_A	Value for Money: Raise the fee for the Guernsey Bar Exam	£7,000
VFM_A	Value for Money: Amend the Guernsey Registry fee schedule for class 1A and class B businesses as per the original intentions of the fee schedule	£2,082,000
VFM_A	Value for Money: Introduce an administration fee on all Royal Court Debtor Invoices	£24,000
	Rounded total	£2,700,000

4.45 By the end of 2011, it is expected that the programme will have made further recurring budget reductions which would take the total to **£4.4m**.

Projects expected to be signed off during 2011:		
Project Ref	Project description	Savings value
C&E_D	Strategic review of air route policies, particularly landing charges	£710,000
ENV_003	Review bus contract	£734,000
FIN_ED	Develop the business planning process at governmental and corporate/departmental levels and adopt a rolling five year budgeting horizon	Enabler project
FIN_GH	All expenditure proposals to be supported by a suitably robust business case and systematic decision support tool that assesses projects and proposals against a number of agreed criteria	Enabler project
T&R_016	Review the option to self insure rather than purchase commercial insurance	£120,000
PROP_D	Introduce further Energy and Utility efficiency	£122,000

	measures	
VFM_A	Business process review of Planning Control Services	£87,000
	Rounded total (including projects already signed off)	£4,447,000

4.46 It is expected that Policy Council and/or the States of Deliberation will be asked for approval to progress the following projects during 2011:

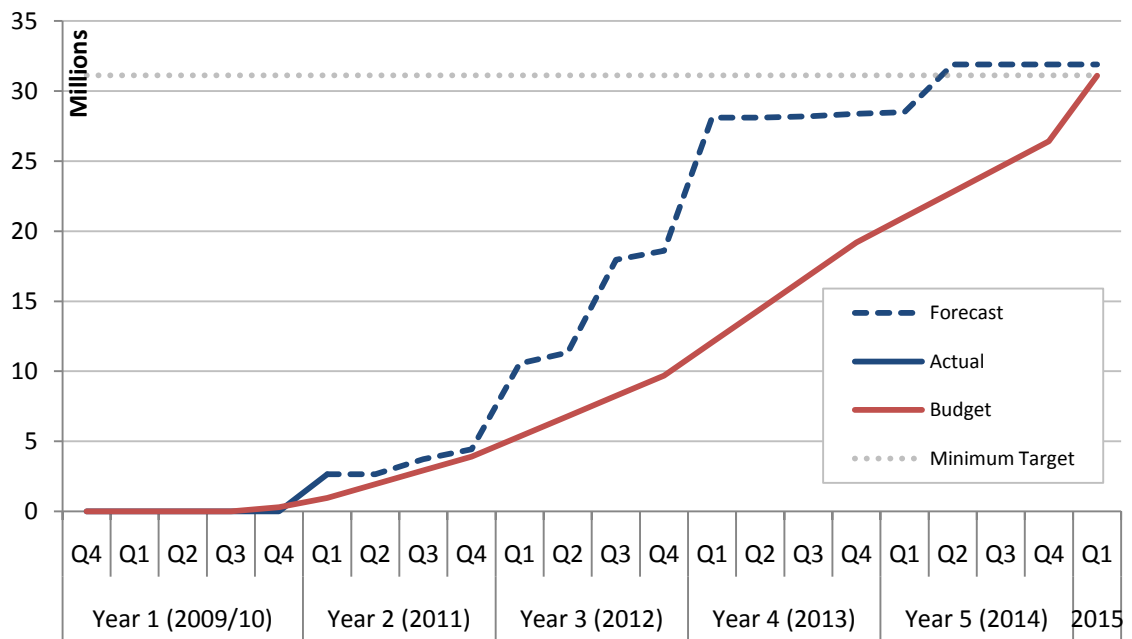
Project Ref	Project description	Savings value
ED_09/23	Review of College Grant Aid	£622,000
FIN_Z	Adopt an accruals-based accounting and budgeting framework across the States	Enabler project
ITU_023	Upgrade the States information networks (WAN) and the telephony networks together to provide better service to all departments	£772,000

Key to FTP Project References

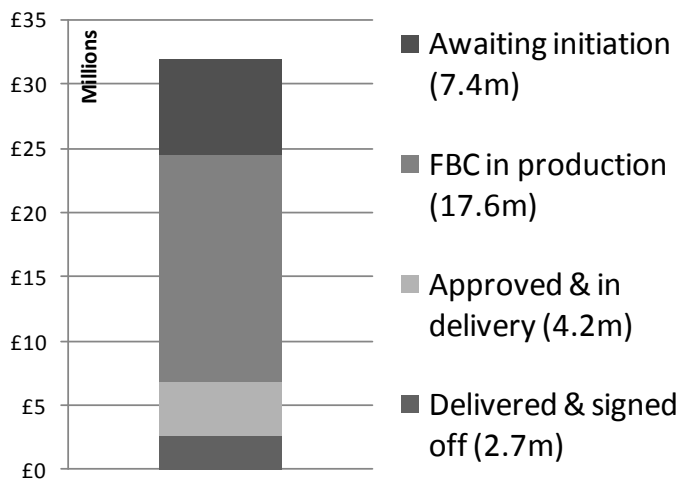
4.47 The Project reference prefix relates to the area of work or the department where savings will be found as follows:

- C&ED (Commerce & Employment Department)
- C&LD (Culture & Leisure Department)
- T&R (Treasury & Resources Department)
- ED (Education Department)
- ENV (Environment Department)
- FIN – Financial project
- ITU – Information Technology
- PROP – Property
- VFM – Value for Money.

4.48 Current forecasts show that the programme target is likely to be surpassed, with a final total expected to be approximately **£31.8m** by October 2014 – the lifetime of the FTP.



- 4.49 In fact, the projects currently underway and those already completed are forecast to save some **£24.4m**, which means that only **£7.4m** of expected savings are associated with projects that are not yet underway.



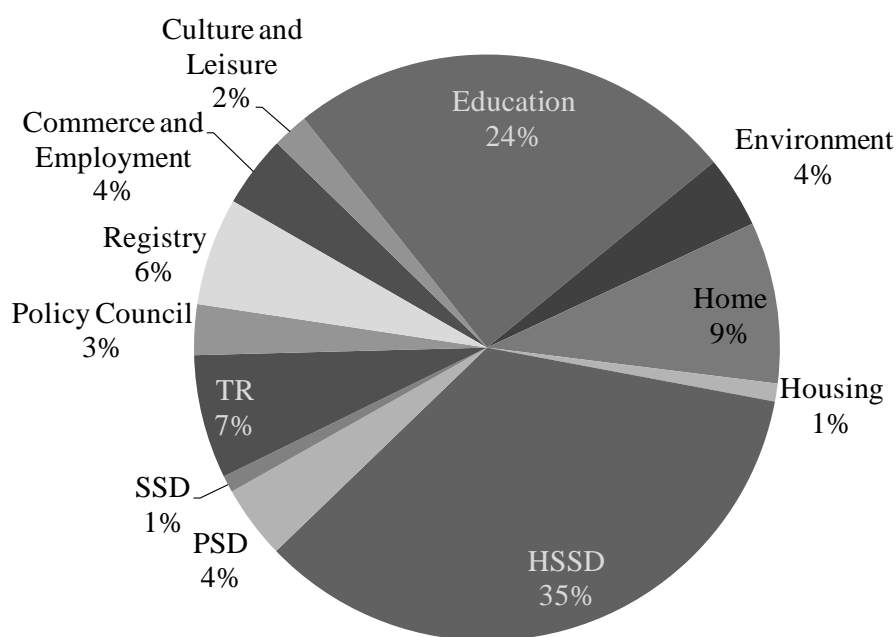
Awaiting initiation means that a project scope has been identified but no work has yet been done

FBC in production means that a Full Business Case, which will assess the possible savings options for this project, is being produced

Approved and in delivery means that the Full Business Case has been approved by Transformation Executive

Delivery and signed off means that all changes have been made, the savings measured and the project team disbanded.

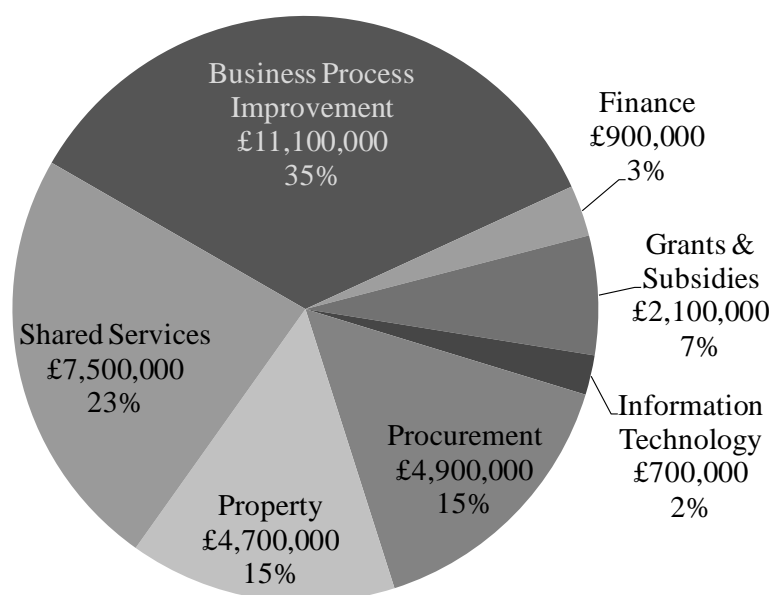
- 4.50 The current forecast of **£31.8m** is split across all ten States departments as shown below. As the programme develops a better understanding of projects these forecasts may – indeed are likely to – change.



4.51 The FTP is making efficiency improvements across a range of areas. These are:

Area of activity	Description
Business Process Improvement	Reducing the number of steps in the processes that allow services to be delivered and increasing value for money at the same time. This is the area of activity expected to deliver the greatest volume of savings; some £11.1m (or 35% of the programme total) are currently expected.
Finance	Supporting ever improving financial management across the States. Many finance projects do not directly release savings, but act as 'enablers' for the release of savings from the other projects.
Grants & Subsidies	Making sure that financial support is given where it is most needed and will make the biggest beneficial impact.
Information Technology	Providing faster, more reliable and cheaper electronic communications.
Procurement	Ensuring only those products and services that are needed are purchased and then working with suppliers (current and potential) to provide the right quality at more favourable prices.
Property	Making existing buildings more productive (e.g. better use of space) and exiting expensive sites in favour of less expensive, but

	still suitable, locations.
Shared Services	<p>Making sure that transactional services (such as data entry, collecting payments, etc) are completed with as few steps and as little of people's time as possible.</p> <p>This area of activity is expected to deliver the second largest volume of savings; some £7.5m (or 23% of the programme total) are currently expected.</p>



4.52 **The FTP is contributing to a step change in the culture of the public sector. Across the different types of projects described above, new behaviours and ways of working are being explored and introduced. Some examples are described below:**

Project examples

- The Value for Money project in the Planning service has shown that there are a number of ways for the team to **work more efficiently**, maintaining the same level of service at reduced cost.
- A number of projects are introducing **new commercial arrangements** that allow the States to be a much more effective customer. For example, the use of framework contracts for standard products means that suppliers will give much more competitive prices, and new contracts for services such as the buses will allow the States to extract much greater value for money from its suppliers.

- New, more **modern ways of working** will be introduced through projects such as 'Energy and utility efficiency' and 'Rationalisation of office accommodation'. These will allow public services to be more productive whilst spending less on the buildings that house them.

4.53 An update on each of the original 107 projects of the FTP has been circulated to States members. This list will be updated regularly, and can be accessed via www.gov.gg.

Integrated approaches in HSSD, Education and Home Departments

4.54 The FTP is one of a number of important agendas for departments to tackle. In order that cost saving projects can succeed and support the development of strategic objectives the FTP is working closely with the management teams of the biggest spending departments to plan and deliver projects in a genuinely cross-cutting manner (i.e. cutting across departmental 'silos').

4.55 By using a single project management framework, joint project teams (from a variety of departments) and the involvement of Transformation Executive and departmental management teams, FTP projects have been incorporated into 'business as usual'.

4.56 This means:

- More efficient use of management and programme time.
- More effective projects, which will realise a greater value of savings (whilst being sustainable over the long term).
- Reduced chances that changes made in projects now will hold back service development in the future.

Change of ownership of FTP delivery partner

4.57 Tribal Consulting was selected as the States' delivery partner for the Financial Transformation Programme. In May 2011 Tribal was acquired by Capita plc – a FTSE 100 company who specialise in improvement services to the public sector. Therefore, whilst many of the consulting staff are the same (thereby ensuring continuity) the company is now known as 'Capita Consulting' and will be referred to as such in the future. One of the benefits for the States of this development is that Capita has a much greater pool of experts and technology to draw upon, which can bring even greater capability and capacity to the FTP.

What Departments and Committees are doing to improve their efficiency

4.58 In the earlier section of this report dealing with the SSP and Governance it was explained that States Departments and Committees had been asked to

provide Policy Plan (as opposed to Operational Plan) Summaries for inclusion in the SSP this year.

- 4.59 On behalf of the Policy Council, the SSP Team provided Ministers and Chairmen and their Chief Officers with guidance notes to standardise content and format and a glossary of terms used in the SSP to encourage consistency of approach. Each contributor was asked to structure the summary around the following headings:
1. **A summary of the Department or Committee mandate** from the States concentrating on the main, specific responsibilities.
 2. **Business Plan policies to fulfil the mandate** ie the principles and priorities that are guiding the work of the Department or Committee.
 3. **Fit with current States Objectives and contribution to cross-departmental working.** Each Department or Committee was asked to demonstrate that it was meeting its own individual mandate in a way that also supported corporate States Objectives.
 4. **Efficiency.** Contributors were asked to explain what they are doing to prioritise services and deliver them efficiently “including but not limited to, (their) contribution to the Financial Transformation Programme”. They were asked to use the summary as an opportunity to demonstrate their awareness of the need for financial stringency and “how this is actively influencing the way you fulfil your mandate”.
- 4.60 Although there is inevitably some variation in approach between the various Policy Plan Summaries that are provided as an appendix to the SSP Billet given the different sizes and types of organisations involved, there is overall a reasonable level of consistency. The Policy Council considers that the publication of the summaries represents another step in promoting greater transparency; encouraging the development of the ‘line of authority’ or ‘golden thread’ from States Objectives through to service delivery priorities and all with an emphasis on achieving greater efficiency.
- 4.61 During the past decade the task of changing States culture has been likened on numerous occasions to ‘turning a tanker’. This is a cliché but this is probably because it is a fair representation of what it is like to steer a large organisation in a new direction. As mentioned in the Foreword, one of the principal issues that the SSP as a management tool needs to help to address in the next States term is public sector responsibility for cost-effective delivery. At this point, the Department and Committee Policy Plan Summaries reflect a relatively early stage in this process but they do demonstrate how the old ‘silo mentality’ is becoming obsolete. Importantly, the section of this covering report that deals with ‘Longer budgeting horizons and the links to policy planning’ describes how this work may progress further through the development of rolling five year budgets and policy plans.

The SSP and Financial Planning

The Continued Necessity to Prioritise Spending

- 4.62 The appraisal of the Island's current economic and fiscal position in the Context section of this report and the financial update and forecasts in the business planning section of the Plan emphasise that the States' ongoing budget deficit must continue to be carefully managed and eliminated as soon as is practicable. This is especially vital to the Island's economic security in a situation where global economic conditions remain difficult and uncertain. From the outset the SSP has embodied a message that the States should strongly restrain spending in accordance with its current Fiscal and Economic Objectives.
- 4.63 One of the purposes of the SSP is to place aspirations to improve public services in the context of the consequences for public finances so that the States take decisions on funding with an improved awareness of the costs and benefits.
- 4.64 As was the case in 2009 and 2010, this is directly demonstrated through the process of prioritising spending on proposed New Service Developments for the year ahead.

Prioritising New Service Developments

Recent Background

- 4.65 In 2009 and 2010 the SSP report explained the need to prioritise New Service Developments in the following terms:

“In the past the States have considered proposals to develop new public services on a case by case, fragmented basis. Departments have traditionally submitted States Reports as stand alone proposals and the States have had no overall context for comparing the merits of one initiative against others ‘in the pipeline’.

The States have already recognised that this is a very unwise way to manage capital investment and the same logic applies equally to new revenue initiatives where a holistic view of budgetary impact is also required.

When prioritisation is imperative to constrain public spending and correct a structural budget deficit it is obvious that the States have to develop a framework for testing the respective merits of competing projects to get best value for public money.”

- 4.66 As part of their endorsement of the SSP in 2009 the States resolved that as a general rule they would only fund new service initiatives in any of the first three years of the Financial Transformation Programme (ie 2010-2012 inclusive) up to the value of the Programme savings predicted for the relevant

year. It was also agreed that this policy would be reviewed after 2012 (ie in the new States term) as part of the ongoing SSP process².

- 4.67 In 2009, approximately £1.7m of projected efficiency savings were allocated to be spent in 2010 on a variety of projects and for other purposes:
- Airport firefighter inquiry
 - Safeguarding vulnerable groups
 - Improving mental health services
 - Child and adolescent intensive outreach service
 - Children and young people's plan
 - British-Irish Council developments to meet external obligations
 - External relations initiatives within the EC
 - Employment of lawyers
 - Domestic abuse strategy
 - Drug and alcohol strategy
 - Disability officer.
- 4.68 The system for prioritising expenditure was very new at this point and requests for funding included a number of 'legacy items' where expenditure, eg to employ staff, was already committed.
- 4.69 In 2010, the SSP report explained in some detail the work that had been done during the year as part of a FTP project, to produce a rationale using Multi-criteria Analysis for the prioritisation of expenditure on New Service Developments.
- 4.70 The States subsequently determined that £2.4m of projected efficiency saving should be spent on the following during 2011:
- Development of the Guernsey Mental Health and Wellbeing Strategy
 - Community Service Scheme
 - Domestic Abuse Strategy
 - Children and Young People's Plan
 - Housing Control Staff (3 Posts)
 - Criminal Justice Strategy Co-ordinator
 - Assistant Employment Lawyer

² This was the subject of a specific resolution: Resolution 4, Billet d'État XXVI, 2009. 'That, as a general principle, the States will only fund new service initiatives in any of the first three years of the programme (i.e. 2010-2012 inclusive) up to the full value of the FSR savings predicted for the relevant year; and that thereafter this policy will be reviewed as part of the ongoing SSP process.'

- Exploitation of Renewable Energy Funding of GREC
- Guernsey Obesity Strategy (Phase 1)
- Children (Guernsey and Alderney) Law 2008 (4 Additional Social Workers)
- Improving Storage of Museum Objects
- Legal Aid – Mental Health Review Tribunals
- Dedicated Wheelchair Service.

4.71 This list of thirteen items had been distilled down through the prioritisation process from over sixty proposals submitted by Departments, Committees and other bodies within the government organisation.

An Evolving Prioritisation Process

Lessons Learned Last Year

4.72 This year the application of ‘Multi-criteria Analysis’ (MCA) to evaluate all proposals against standard criteria has been improved in the light of experience gained during 2010.

4.73 At the SSP consultation meeting with States Members in January they were reminded of the way the process had operated in 2010. Various key points were highlighted as follows:

- Multi-criteria Analysis (MCA) is a technique – a variant of cost-benefit analysis – to assist the prioritisation of proposals that are competing for General Revenue Funding.
- The SSP is the first gateway to achieving funding – The ‘amber light’ stage. If the States approve funding, proposals then progress to the preparation of a Full Business Case. Only if the Business Case is convincing is money allocated to the proposal so that it can be implemented.
- The rationale behind MCA is to differentiate between strong and weak cases for spending public money according to consistent criteria.
- MCA provides much better information for making political choices but there is no magic in the process that infallibly identifies the ‘right choice’. Ultimately, this has to be a political judgement taking into account the evaluation that has taken place.
- For each proposal a number of individual criteria were examined and scored and then totalled up by reference to three cases or ‘criteria groups’:
 - Support for States Objectives

- Benefits and Options Appraisal
- Outline Financial Case.

The results under each heading were then added to give a total score.

- The Scoring Group of three Senior Officers then reported to the Moderating Group; a team comprising the Chief Executive, Deputy Chief Executive, Head of Human Resources & Organisational Development, Chief Officer of Treasury & Resources and Chief Accountant. The Moderators used their experience and overview of States business to see whether the outcome of the scoring process was convincing or whether there were comments they wished to make to the Policy Council about the priority list.

4.74 The SSP Team reported that Scoring and Moderating seemed to have worked well in 2010 but that some lessons had been learned:

- The Scoring Team had some difficulty in interpreting States Objectives for the purposes of prioritisation.
- The way proposals had been prepared varied widely in quality. This was hardly surprising given the newness of the procedure but for the future, all proposals needed to be adequately prepared.
- A new ‘checking’ phase should be introduced before scoring was carried out to make sure each proposal contained the necessary information.
- The scoring process including the application of weightings to the most important criteria, should be fine-tuned.
- Departments and Committees should be given the best possible detailed guidance for preparing their proposals.

The Prioritisation of New Service Development Proposals in 2011

4.75 This year the Policy Council finally received only fourteen proposals for funding in 2012 which was a very marked decrease in numbers from the sixty submitted in 2010. The reason for the drop in numbers has not been specifically researched but, based on anecdotal information, it seems to reflect greater realism amongst States Departments and Committees about the need to exercise financial restraint; to prioritise within the Department/Committee budget before seeking General Revenue funding; and only to submit a funding request when confident of the case to be made knowing it will be carefully evaluated through the MCA process.

4.76 The lessons learned in 2010 resulted in a number of refinements in the way that MCA has been applied this time round and the use of a new template for submissions. Whereas proposals were previously assessed in terms of three cases last year (as described above); this year there has been a fuller five case analysis.

4.77 The five cases in question are the:

- Strategic Case – the degree to which a proposal fits with States Objectives, policies and any specific resolutions.
- Outline Economic Case – whether all reasonable options for achieving what is proposed have been adequately considered before a course of action has been chosen.
- Outline Commercial Case – how the proposal will be implemented and whether it represents value for money compared to other approaches.
- Outline Financial Case – a breakdown of immediate and longer-term costs to indicate that expenditure has been realistically thought through.
- Outline Project Management Case – how the project will be carried out and when; and whether the practicalities of delivery have been properly considered.

4.78 At the SSP ‘amber light’ stage the Strategic Case is the most important because it poses the question ‘Why should the States do this?’ In other words, it tests the degree to which a proposed new service supports the achievement of one or more States Objectives. Unless the proposal represents a good strategic fit the fact that it may be practical to achieve and seems to offer value for money is unlikely to be sufficient in itself to generate a high score.

4.79 At this point it is worth commenting on the term ‘New Service Development’ because it has been queried by States Members and by those submitting proposals for funding. The word ‘new’ has been used to indicate that a proposal represents a proposed change in a service that warrants general revenue funding rather than the refocusing of an existing budget. So a New Service Development may be an expansion or further enhancement or support structure for an existing service or an entirely new service. In addition, proposals have been accepted where they involve the recruitment of staff to support an existing service. Such cases are often ‘legacy’ spending where the full resource needs of providing a service was not sufficiently well estimated at the outset leaving a serious gap to be filled. One purpose of the MCA and full Business Case process is to avoid this sort of miscalculation in future although errors and inaccurate predictions may never be completely eradicated.

4.80 The proposals were presented this year to a template based on the structure of the five cases, and the following criteria were then used to test the strength of the proposal in each instance:

- **Fit with States Objectives**
The degree to which a proposal will directly advance individual States Objectives.

- **Overall impact of not proceeding**
Whether there are legal, reputational, health or other major impacts of not proceeding.
- **Breadth of beneficiaries**
The number of people likely to benefit.
- **Depth of benefits**
The impact the proposal will have on individual beneficiaries.
- **Whether the option/s proposed has been evaluated as the best solution**
The evaluation has been based on valid assumptions and the option/s is the best for achieving the desired outcome.
- **Whether the proposal will deliver value for money**
This is assessed on the merits of the individual proposal. The Scoring Team does not try to evaluate whether underlying States Objectives or wider strategy themselves represent value for money. This is beyond the scope of the prioritisation process.
- **The achievability of the proposal**
Whether satisfactory project management will be in place to ensure project success and benefits delivery.
- **Risk to successful delivery**
Overall assessment of the impact and likelihood of major risks affecting successful delivery.
- **Sustainability**
Whether the net cost of the proposal will be sustainable over the coming years.

Better Evaluation

- 4.81 Returning to the lessons learned from Scoring and Moderating last year, this year's prioritisation process has been improved in a number of ways although the arrangements have remained broadly similar.

Interpretation of States Objectives

- 4.82 As explained earlier in this report the broad nature of States Objectives limits their use for prioritisation purposes. To test a proposal more thoroughly, the Scoring Team, therefore, also took into account other evidence for a good 'Strategic Fit' such as whether there was a recent States Resolution that supported the proposal or whether it was part of a broader strategy that had been debated and approved by the States.
- 4.83 In addition, each Department, Committee and Policy Group was asked to rank the proposals it was submitting in numerical order from first priority downwards. These rankings did not influence the scoring process but were

given to the Moderating Team as further background material to help them form a view about the perceived importance of each proposal.

Guidance and checking

- 4.84 This year the SSP Team issued very detailed guidance notes to all those submitting New Service Development Proposals and followed this up with a number of sessions to familiarise the staff concerned with the way in which prioritisation is evolving and how to prepare a satisfactory submission using a standard template.
- 4.85 A checking phase was also introduced to the process to make sure each proposal contained the necessary information for an evaluation to be made. Contributors were asked to fill any gaps before the proposals were passed on to the Scoring Team.

Weightings

- 4.86 The weightings to be applied to scores to reflect, for example, the importance of the Strategic Case, were carefully considered by the Scoring Team and tested on a number of sample cases to ensure that they would not unintentionally produce anomalous results.
- 4.87 Detailed guidance notes were also prepared based on experience in 2010, to assist the Scoring Team to make balanced and consistent appraisals of all the bids.

New Service Development Proposals (NSDs)

- 4.88 A list of the NSDs being recommended by the Policy Council for funding through efficiency savings in 2012 is set out in the Plan together with a summary description of each proposal. Each proposal is subject to a separate proposition. Further tabulated information about recommended and non-recommended proposals and the scores given to each through the MCA process is provided in a schedule attached to the Plan.
- 4.89 At this stage, however, these are only recommendations and the Plan will be finalised and re-published after the States debate as mentioned previously.

Policy Council's response to the advice received from the Moderating Group

- 4.90 The Policy Council was advised by the Moderating Group that it was confident that the scoring process had been carried out robustly and objectively. The group had concluded that the scores ranking given to each proposal (based on the total score against criteria) clearly showed a group of four proposals at the top of the list with very similar scores (all scoring 70% and above). The Policy Council noted the Moderating Group's recommendation that any proposals scoring above the 70% mark should be considered to be a good proposal and thus worthy of being pursued if funding was available. Proposals scoring below this threshold should generally not be

pursued in the Moderating Group's opinion, since these proposals would not meet an acceptable level of score across all criteria.

- 4.91 The Policy Council was advised that there was a distinct gap in the four high scoring projects namely Restorative Justice Service, Implementation of Competition Law in Guernsey, Reviewing the Funding and Organisational Options for Guernsey Health and Social Care Services and Provision of Temporary Additional Resources for the Office of Children's Convener and that the remainder of the proposals which were generally of a poorer quality, did not contain all the information they could have or did not represent well considered ideas for proposals.
- 4.92 The one exception included in the Moderating Group's recommendations was Bowel Cancer Screening which, despite scoring only 56% of the available marks, nevertheless was recommended for inclusion given the political support demonstrated in the 2010 SSP debate.
- 4.93 In contrast the group recommended against funding the Obesity Strategy Phase 2 in 2012 even though it scored 71%. The primary reason was that it was not ranked highly by either the HSSD or the Social Policy Group and in addition, it was considered essential, from both cost and value for money perspectives, that before any further funding was allocated, steps were taken to establish the benefits of Phase 1 of the Strategy which has only begun to be implemented this year.
- 4.94 Finally, the Moderating Group while recognising the States Resolution to fund New Service Development Bids from savings generated by the FTP in the first three years of its life and noting that £1.8m was available from this source in 2011, advised the Policy Council that it was of the firm opinion that just because funding was available it should not be allocated to all projects regardless of their position in the ranked order. In order for the integrity of the prioritisation process to be maintained i.e. that only good proposals should proceed, the Moderating Group strongly recommended that funding should only be allocated to those in the recommended list and the balance allocated towards reducing the deficit - one of the key principles of the FTP. Such an approach it emphasised would send an important message to the public, to States Members and to staff about the continued need for restraint and focus on proven value for money.
- 4.95 The Policy Council acknowledged the advice it had been given by staff based on the objective evaluation process that had been applied but ultimately, it is Policy Council's rôle to make recommendations on the funding of New Service Developments to the States that are based on its political judgement. The Policy Council decided it would recommend that a longer list of New Service Developments should be funded in 2012 (Paragraphs 21.29 to 21.44). The States themselves may in due course amend that list of proposals as they see fit.

Moving Towards Longer Budgeting Horizons – the Link to Policy Planning

- 4.96 This section of the covering report about ‘Integrated Government’ has described the way in which the SSP supports good governance, the efficient delivery of public services and effective financial planning to meet States Objectives. The pictograms of the SSP process illustrate this integrated approach but the process is still very new, as has been emphasised earlier in this report, and some important elements have yet to be developed.
- 4.97 One of these elements relates to the FTP project ‘Business Planning and Multi-year Budgeting ‘(FIN_ED)’ (see Paragraph 4.5) which is intended to enable the States to move towards multi-year budgeting for both resource and capital allocations. The project also includes the development of a business planning process to ensure that plans are fully costed, time-bound and cover all planned expenditure. As noted in the previous section dealing with the FTP (‘The SSP and the Efficient Delivery of Public Services’), the FIN_ED Project is an enabler project that aims to deliver greater organisation efficiency rather than directly producing savings in itself.
- 4.98 This year, the separation of the SSP document into a Covering Report Section and a Plan Section has distinguished the structure of the Plan itself from the background material about the context in which it has been prepared and the way the SSP process is contributing to organisational change. As mentioned earlier, the appearance and ‘balance’ of the Plan now demonstrate more clearly that the SSP is about longer-term policymaking and Island resources management as well as about short term business planning and, in particular, the prioritisation of spending on New Service Developments. The publication of Department and Committee Policy Plan Summaries is also another step towards bringing this very important layer of thinking into the corporate planning framework.
- 4.99 Nevertheless, there remains a gap in the SSP between the ten to twenty year perspective expressed in the Fiscal & Economic, Social and Environmental Policy Plans and the emerging Island Resource Plans on the one hand and the business planning perspective on the other. Although the financial forecasts focus on a five year horizon, States Departments and Committees continue to budget on an annual basis and are unable to turn their policymaking aspirations into firm action plans in the reasonable expectation that funding will be forthcoming. A States Business Plan can only be meaningful if it represents a coherent process across the States organisation. At the time of writing (July 2011), work on the Multi-year Budgeting Project is only just beginning. It is, however, intended to cover all States Departments, the Royal Court and trading bodies and the preparation of a Full Business Case for the project will include:
- a baseline appraisal of current budgeting practices and processes
 - a baseline appraisal of current business planning practices and processes

- an options appraisal
- a costed implementation plan.

- 4.100 Multi-year budgeting does not in itself require that budgets are prepared ‘from scratch’ as zero-cost-base budgets. In his Foreword, however, the SSP Chairman who is also the Treasury and Resources Minister, refers to the fact that rolling five-year financial plans leading to multi-year budgets and the application of financial prioritisation techniques to both capital and revenue spending will ‘pave the way’ for zero-cost-base budgeting.
- 4.101 Although the States Objectives have been refined and re-formatted this year they remain quite broad in scope and “are too generalised in themselves to represent a programme for action during a States term”. As the practicalities of multi-year budgeting and policymaking are assessed over the coming year the Policy Council hopes it may be possible to meet the challenge of creating a clear political vision for government that is capable of practical implementation by interpreting the States Objectives through the Department policy and budget plans. The work being carried out by the Health & Social Services Department, for example, to develop a vision for meeting the Island’s health and social care needs is an example of how connections between corporate and departmental thinking may be greatly strengthened in future with each influencing and informing the other.

5. DEVELOPING AN ANNUAL LEGISLATIVE PROGRAMME

Background

- 5.1 In accordance with its mandate, the Policy Council is responsible for prioritising the States legislative programme and in the 2010 States Strategic Plan (Para 6.19-6.26) it reported on proposals for making significant improvements to the historic approach to prioritisation.
- 5.2 The new approach included:
- The formation of a Prioritisation of Legislation Working Group comprising: HM Procureur, HM Comptroller, Director of Legislative Drafting, Chief Executive, Deputy Chief Executive.
 - The creation by this group of a rolling programme of prioritised legislation requiring drafting for consideration by the Policy Council.
 - Publication of the list of priorities in the annual review of the SSP and
 - The introduction of a process whereby each States Report requiring new legislation will include a brief annexe containing information justifying the need for legislation etc.

- 5.3 The process is scheduled for a review after the first full year of operation (at the end of 2011) but already engagement between the Prioritisation of Legislation Working Group (PLWG) and Departments suggests that there is scope for refining the system.
- 5.4 Following consultation with States Departments and Committees, having regard to work already in progress which was nearing completion and taking into account the available resources at St James Chambers, **the PLWG has created three programmes which have been endorsed by the Policy Council and which are provided in the Plan. (After Paragraph 21.44).**
- 5.5 Programme 1 which was finalised at the end of June 2011 comprises major/significant items (in terms of drafting complexity) which it is planned to complete by 30th September 2011.
- 5.6 Although details are set out in the Plan they comprise:
- Animal Welfare legislation
 - Civil Contingencies Law
 - Limited Liability Partnerships
 - Land Planning and Development Covenants
 - Medical and Health Professions (Enabling Provisions) Law, 2011
 - Tobacco Products (Guernsey) Ordinance, 2011
 - Prisons Repeal and replace 1949 Law and 1998 Ordinance
 - Innovation Patents
 - Foundations
- 5.7 Programme 2 comprises work in progress or imminent which it is expected will be addressed within the next twelve months from September 2011.
- 5.8 Programme 3 which is work that is likely to be commenced as work covered in List 2 is completed.

General Comments

- 5.9 The programmes set out above do not include work being undertaken separately for Alderney and Sark or indeed very minor items (eg. amendments to the Reform Law to establish a new Electoral Roll and close

existing Electoral Roll on 29th February 2012) nor do they record work in progress relating to Statutory Instruments such as Regulations, Orders, Rules etc.

- 5.10 There are a number of items included in the lists which do not state the Billet and Article number but are described as “States Report awaited”. These are items where for a variety of reasons a Department has recognised that an amendment to particular legislation has become necessary – often as a result of external developments and the Law Officers have been asked to advise and begin drafting the legislation notwithstanding that the matter has yet to be placed before the States.
- 5.11 **As mentioned earlier the whole process will be subject to a review at the end of 2011 but the Policy Council feels that it would be helpful to identify a number of issues that have emerged from the work of the Group so far.**

Legal advice prior to States approval

- 5.12 The prioritisation process as set out in the 2010 SSP, focuses on developing a programme for drafting legislation after a request seeking that legislation has been agreed by the States. However, a number of Departments have pointed out that much of the work of the legal advisers at St James Chambers is dedicated to advising Departments on the preparation of Reports that ultimately give rise to legislation to ensure that they contain clear drafting instructions when those reports are considered. Such input represents a significant amount of time prior to States agreement of the need for legislation but will usually result in less drafting time once a decision is made because a firm foundation will have been established in advance.
- 5.13 While it is considered impractical to produce a clear programme mapping out the length of such engagement, this critical input from the Law Officers in the development of legislation will have an impact on the resources available for eventual drafting.

Scoring Criteria and Annexe to States Report

- 5.14 The PLWG have received some helpful comments from Departments in relation to the Scoring Criteria for draft legislation and intends to review the current approach at the end of 2011. It also intends at that point to reflect on the appropriateness of the use of the States Annexe in respect of resources required for drafting legislation.
- 5.15 Annexes have been required to be published with States Reports since May 2011 but there are early signs that a section within the body of each report devoted to this area may be more appropriate than the stand alone Annexe which so far has tended to reproduce in some cases much of the narrative in the main report.

- 5.16 In this respect, the Scrutiny Committee has written to the Policy Council noting that in one recent report a States Department included in a specific proposition a recommendation

“To acknowledge the adverse effect on the reputation of the States of Guernsey so that high priority is given to the drafting of legislation”.

- 5.17 The Policy Council accepts that while there will be pieces of legislation which, from time to time sponsoring Departments may consider of paramount importance, nevertheless, there are considerable dangers in the States being asked to make a judgement on a single piece of legislation in isolation from the entire legislative programme and accordingly it would discourage this practice.

Legislation awaiting drafting for a period of five years or more

- 5.18 In 2010 the SSP Report recommended that Departments review and revalidate any legislation that has been awaiting drafting for a period of five years or more to determine whether it was still relevant to the needs of today. In the event that a Department deemed that there was no longer a current requirement for this item of legislation, it recommended that through the Working Group the Policy Council should be recommended to delete the item from the list and that a decision not to proceed with such legislation should be made by the States by the annual SSP debate.
- 5.19 Although Departments have been asked to review such legislation none have yet come forward with a recommendation that the States should be asked to formally rescind particular resolutions but the Policy Council will be taking this issue back to Departments with a clear request, prior to completion of the deadline for submissions to the 2012 SSP, for Departments to either reaffirm their intention of proceeding with or raise the question of rescinding, any outstanding resolutions in respect of legislation in excess of five years old.

6. ARRANGEMENTS FOR 2012

Managing the SSP process across the General Election period

- 6.1 The SSP process is about continuity, and making decisions that are compatible with the States long-term aims and objectives. The political process on the other hand operates on a four year election cycle. This unsurprisingly gives rise to tensions and practical challenges for managing the SSP which come to the fore during General Election years.
- 6.2 Earlier in the year the Policy Council considered whether the annual SSP cycle should be suspended during 2012. As the States agreed allocation of all efficiency savings to New Service Developments ceases in 2012 there is an argument in favour of a hiatus which would leave it to the new States to determine the appropriate level of spending in 2013. From the point of view

of joined up rather than disjointed government, however, a stop/start approach to corporate planning is at odds with the principles of good governance and creates a heightened sense of uncertainty and the SSP is also about much more than New Service Developments.

- 6.3 As in previous years, this annual review of the SSP includes a range of Financial Forecasts prepared by the Treasury & Resources Department (see Paragraphs 21.1 to 21.28). The 'Base Case' model (ie neither optimistic nor pessimistic about the Island's financial position), is based on the assumption that after 2012 all FTP savings are used to reduce the budget deficit. The positive outcome of the Base Case model rests heavily on this key assumption and demonstrates the importance of the FTP and the huge potential it has to contribute to a medium-term balanced budget.
- 6.4 Clearly, the States need to adopt a new policy for the use of efficiency savings from 2013 onwards whether this is a further allocation of funds or a freeze on additional expenditure with any new services having to be funded by reducing or ceasing services elsewhere. Rather than debate the matter via the SSP, however, the Policy Council considers that the Treasury & Resources Department should be directed to develop a policy for the future use of FTP savings to be debated this December as part of the 2012 Budget Report.
- 6.5 To accommodate the change of political leadership in April 2012 the current Policy Council, SSP Team, Departments and Committees will prepare the annual reviews/updates of the Policy Plans and Island Resource Plans and New Service Development Proposals. Guidance material will be issued earlier than in previous years so that material can be submitted before the elections take place. The checking, scoring and moderating of the New Service Development Proposals will then take place at staff level while the new States membership is elected and the Policy Council, Departments and Committees are formed. The new Policy Council will then consider a draft SSP report and take its recommendations to the States in October.
- 6.6 Obviously, it will take time for States members to settle into their various rôles but the improved induction process (described below) is intended to help everyone to do so as quickly as possible. In 2013, when the States is more firmly established, it is likely that a more searching annual review of the SSP will take place but the 'family of plans' is designed to respond to new political direction without the need to dismantle the framework itself. The SSP is, as previously explained, a tool for managing government not a fixed agenda for what government should do.

Improvements to the States Member induction process

- 6.7 A working party, led by the States Assembly and Constitution Committee (SACC), has been set up to develop an extensive induction programme which will be made available to members elected at the 2012 election. The Committee's mandate includes responsibility for policies relating to

“induction, training and ongoing support for States Members” and the Policy Council is advised that particular attention will be given to ensuring that the executive and parliamentary aspects of the induction programme are properly coordinated.

- 6.8 The Policy Council understands that SACC intends to incorporate information from a wide range of sources covering many themes, including: the Rules of Procedure and operation of the States of Deliberation, the roles of States Departments and Committees, the internal election process, the machinery of government and governance arrangements. The programme will also address the training and support available for members throughout the States term 2012-16.
- 6.9 The working party will oversee the development of this initiative and will report to SACC and it has expressed the wish to work with the Policy Council and other States Departments and Committees on the development of the executive aspects of the programme and the Presiding Officer and H M Procureur in the development of the parliamentary aspects of the programme. (NB: HM Procureur may also be consulted in relation to his executive functions.) The Policy Council welcomes the provision of an improved induction process and is itself particularly concerned to ensure that States Members understand the way in which policy is made so that they can make a positive contribution to the process.

Timetable for 2011-2013

October 2011	States Strategic Plan debate
Autumn 2011	The Policy Council to re-publish the Plan section of the SSP
October/November 2011	Fiscal Policy Panel report
November 2011	Strategic Land Use Plan debate – Island Resource Plan
November/December 2011	Population Management debate – Island Resource Plan
December 2011	Annual Budget debate
December 2011/January 2012	Revised Energy Plan debate – Island Resource Plan
December 2011/January 2012	SSP Team requests New Service Development proposals from all States Departments, Committees and any other relevant States bodies for submission in March

December 2011/January 2012	SSP Team requests Policy Plan and Island Resource Plan updates for submission in March
December 2011/January 2012	SSP Team requests Department & Committee Policy Plan updates for submission in March
April 2012	General Election
May 2012	States of Guernsey Accounts published
May/June 2012	New Service Development proposals evaluated
June/July 2012	Draft SSP prepared for Policy Council approval
August 2012	States Strategic Plan printing deadline
September 2012	Strategic Plan 2012 – 2017 published
September 2012	States Strategic Monitoring Report published
September 2012	Facts & Figures Statistical booklet published
October 2012	States Strategic Plan debate
November 2012	Fiscal Policy Panel Report
December 2012	Annual Budget debate

7. RECOMMENDATIONS

7.1 The Policy Council recommends the States:

A. Fiscal & Economic Policy Plan

1. To endorse the updated summary of the Fiscal & Economic Plan including the revisions to objectives as described in Section 13 (13.4 & 13.12).

B. Social Policy Plan

2. To endorse the updated summary of the Social Policy Plan including revisions to objectives as described in Section 14 (14.7 & 14.9).
3. To note that responsibility for the Drug and Alcohol and Domestic Abuse Strategies is being transferred from the Policy Council to the Home Department, along with appropriate budgetary provisions, and that existing Resolutions in relation to those Strategies should be construed accordingly.

C. Environmental Policy Plan

4. To endorse the updated summary of the Environmental Policy Plan including the revisions to objectives as described in Section 11 (Environmental Policy – General Objectives).

D. **Statement of States Aims and Objectives and States Corporate Policies**

5. To endorse the revised Statement of States Aims and Objectives as set out in the Plan Section 11.
6. To direct the Policy Council to take the Statement of Aims and Objectives (including Aims, General Objectives, and Specific Objectives) into account in making future recommendations to the States on the prioritisation of general revenue funding for service developments.
7. To confirm that the States Corporate policies continue to be valid for legal and regulatory purposes, as set out in the Plan Section 12.

E. **Island Resource Plans for Population Management; Energy; and Strategic Land Use**

8. To note the progress report on the development of a Population Management Plan as described in Section 17.
9. To note the progress report on the development of an Energy Plan as described in Section 18.
10. To note the progress report on the development of a new Strategic Land Use Plan as described in Section 19.

F. **Island Resource Plan for Infrastructure**

11. To note the progress report on the development of an Island Infrastructure Plan as described in Section 20.
12. To direct all States Departments to prepare asset registers and develop long-term plans (for at least 20 years ahead), for completion no later than June 2013, to identify the likely scale of future investment necessary to maintain satisfactory physical infrastructure to deliver their mandates.
13. To direct the Treasury & Resources Department to provide States Departments with the necessary templates and guidance to produce the asset registers and plans within the June 2013 deadline ensuring that there is a consistent approach across government.
14. To direct all States Departments to ensure that in future all infrastructure-related capital projects are presented for States consideration within the context of a 20 year programme for the relevant area of investment concerned and that both capital and revenue cost estimates are provided.

G. **The FTP and the Funding of New Service Developments**

15. To endorse the progress report on the FTP as provided in Section 4 (Paragraphs 4.40 to 4.57).

16. To note the forecast that £1.8m will have been accrued from efficiency savings through the Financial Transformation Programme (FTP) during 2011 and will be available to fund New Service Developments in 2012.
 17. To approve, in principle, the list of New Service Developments for 2012 as set out below and to direct that comprehensive cases for funding shall be prepared before final approval is given to each new initiative:
 - A. Restorative Justice Service (£57,000)
 - B. Implementation of Competition Law in Guernsey (£200,000)
 - C. Review the funding and organisational options for Guernsey Health and Social Care Services (£235,000)
 - D. Provision of temporary additional resources for the Office of the Children's Convenor (OCC) (£98,000)
 - E. Bowel Cancer screening in Guernsey (£328,000)
 - F. Family and Friends Care arrangements (£206,000)
 - G. Provision of an adult learning disability short break (respite) service (£211,000)
 - H. Hansard service to report meetings of the States of Deliberation (£20,000)
 - I. Revenue funding to support Guernsey Training Agency (GTA) University Centre (£30,000)
 18. To direct the Treasury and Resources Department to develop a policy for the future use of FTP savings and present it for States' consideration as part of the 2012 Budget Report.
- H. **Integrated Government**
19. To note the continuing development of the SSP process and its rôle in supporting good governance; efficient delivery of public services and financial discipline and management as described in Section 4.
 20. To direct the States Assembly and Constitution Committee with immediate effect, to revise all relevant mandates to replace all references to the superseded Government Business Plan with references to the States Strategic Plan.
- I. **Arrangements for 2012**
21. To note that the Policy Council will be re-publishing the Plan section of the SSP as it is approved by the States as a stand-alone document for distribution to the wider public.

22. To note the arrangements described in Section 6 for managing the SSP process during 2012 including the provision of an improved States Member induction programme led by the States Assembly and Constitution Committee.

J **Other Matters**

23. To note all other sections of the 2011-2016 SSP review not specifically referred to in recommendations 1 to 22 above.

8. ANNEXE

THE PLAN

9. THE PURPOSE OF THE SSP

- 9.1 The States Strategic Plan is a tool to enable the States to decide what they want to achieve over the medium to long term and how they will allocate limited public resources to fulfil those objectives.

The Scope of the SSP

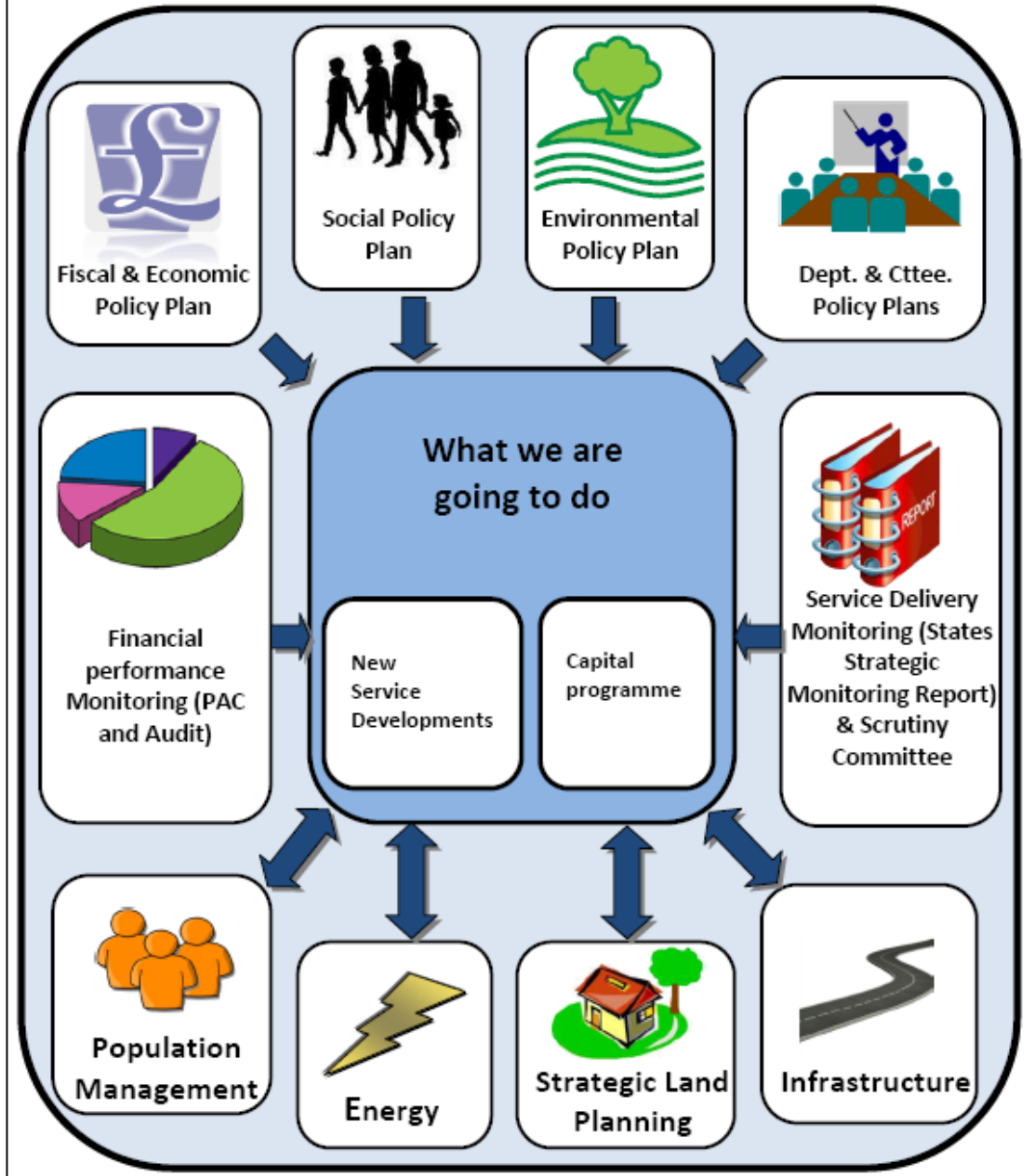
- 9.2 The Bailiwick of Guernsey consists of the islands of Guernsey, Alderney, Sark and Herm. Sark is self-governing; Alderney is partly so but forms part of Guernsey for income tax purposes. Herm belongs to the States of Guernsey but is managed by leaseholders.
- 9.3 Although parts of the SSP are of relevance to Alderney (particularly those related to “transferred services”), the Plan is mainly concerned with Guernsey itself.

10. THE COMPONENTS OF THE SSP

- 10.1 The following illustrations or pictograms show that the SSP is made up of a ‘family’ or suite of plans and that these plans each have a rôle to play in the cyclical SSP process.

The States Strategic Plan

A Family of Related Plans



The SSP Process



11. RE-FORMATTED STATES OBJECTIVES

States Aims and Objectives

Statement of Aims

The government of Guernsey aims to:

- Improve the quality of life of Islanders.
- Secure the Island's economic future.
- Protect the Island's (*'natural' – deleted*) environment, unique cultural identity and rich heritage.

It recognises that this requires:

- Maintenance and enhancement of Guernsey's standing in the global community.
- Wise long-term management of Island resources.
- **Good governance (added)**
- Co-ordinated and cost-effective delivery of public services.
- Sustainable economic growth and effective public services without increasing the population to the detriment of our environment and way of life.
- Improved awareness of the culture and identity of Guernsey.

Statement of General Objectives

Economic & Fiscal Policy

- Long run fiscal balance: spending within constraints of the Fiscal Framework.
- Continuing OECD Tier One Status.
- Average economic growth of 2% or more per annum.
- Stable and low inflation: RPIX 3.0%.
- Continuing full employment.
- Skilled, flexible labour market.
- Diversified, broadly balanced economy.
- Well regulated, competitive domestic markets.

- Modern key strategic infrastructure, with public capital investment averaging 3% of GDP.
- Maintenance of an internationally competitive fiscal regime.
- Maintenance of an internationally respected financial services regulatory regime: adopting and applying international standards.

Social Policy – General Objectives

- An inclusive and caring society which supports communities, families and individuals.
- Individual independence, achieved where possible, but with States assistance when needed, in order to encourage personal responsibility and self-help.
- Active and engaged citizenship.
- Greater equality, social inclusion and social justice.
- Less poverty and good standards of social welfare.
- Better housing availability, quality and affordability.
- A healthy society with safeguards for vulnerable people.
- A safe and secure Bailiwick.
- Greater equality of educational opportunity.
- Employment for all those who need and are able to work.

Environmental Policy – General Objectives

- An Environment that is healthier in 2030 than in 2008 (the base year).
- A reduced carbon footprint.
- Enhanced adaptability to climate change.
- Healthy biodiversity and a protected countryside.
- Effectively managed solid and liquid waste.
- Energy conservation and cleaner fuels.
- A healthy managed marine environment.
- Reduced pollution through regulated and controlled activities.
- Sustainable resource management.
- Protection and conservation of the built environment.

Statement of Specific Objectives

Fiscal & Economic Policy - Specific Objective:

- Real term freeze on aggregate States revenue expenditure.

Social Policy Specific Objectives:

- Adequate assistance to meet welfare needs, incentivise working and reduce duplication of administration.
- Supported accommodation to promote and support independent living.
- Health and social care services to focus on prevention, health improvement, protection and independence.
- Stronger emphasis placed on prevention, pre-offending, rehabilitation and victim-centred services.
- Greater equality of early childhood opportunity and pre-school educational provision.
- Additional support and protection to those who need it to find and sustain employment.
- The elimination of discrimination based on grounds of sex, race or disability and the introduction of civil partnerships.
- Stronger partnership working with the third (voluntary and community) sector.

Environmental Policy – no Specific Objectives but the Environmental Policy Plan does include an Action Plan which explains how its General Objectives are being pursued.

12. STATES CORPORATE POLICIES

- 12.1 The following statements of Corporate Policy approved by the States through previous Policy and Resource Plans, the GBP and the SSP are set out below with an update on the latest situation in relation to States Guidance to Shareholders. These policies have been carried forward into the SSP for legal and regulatory purposes.

Population Policy

- 12.2 The States' population objective of "*maintaining Guernsey's population at approximately its current level*" is drawn from the Population and Migration Policy Statement approved by the States of Deliberation in April 2007 (Billet d'État IV, 2007).
- 12.3 The main population control measures continue to be the Housing Control Law and the Right to Work Law. In support of the States population objective, the Housing Department has stated that, in administering the Housing Control and Right to Work Laws, its policies remain those set out in Appendix I to the Report relating to the Government Business Plan 2007 (Billet d'État XVIII, 2007). These policies are reproduced in full below:
1. (a) The vast majority of those employed from overseas should continue to be on short-term housing licences (i.e. for periods up to nine months or three years);
 - (b) The issue of short-term licences should be judged on the basis of no suitable local labour being available to undertake the work.
 2. Wherever possible, essential licences will be limited so that such licence holders do not reside in Guernsey for more than five consecutive years. The Department may issue licences for longer periods of residence where appropriate, for example, where (i) limitation would act to the detriment of achieving Economic, Social and Environmental objectives, or (ii) long-term continuity in the post is essential to the community, or (iii) the skills required for the post are scarce on a national or international basis so that recruiting is exceptionally difficult.
 3. The Housing Department, when considering an application for an employment related licence, will take into account the extent to which the applicant is using new technology and providing training.
 4. With the exception of licences granted in respect of cohabitation on a one to one basis, the Housing Department will generally only grant licences, on compassionate grounds, to persons who:

- (a) Are potentially qualified residents as specified in the Law; and
- (b) Are currently resident in the island; and
- (c) Have already completed a substantial proportion of the specified qualifying period.

States Guidance to Shareholders

- 12.4 Under the terms of the States Trading Company Ordinance, the Treasury and Resources Department acts as Shareholder on behalf of the States, in relation to Guernsey Post and Guernsey Electricity.
- 12.5 At the time of commercialisation, the States agreed Guidance on exercising the role of Shareholder for each States Trading Company. The STC Ordinance provides that such guidance will be published in the Policy & Resource Plan, now the States Strategic Plan.
- 12.6 At the time of writing it is understood that proposals relating to the regulation of the States Trading Companies will be presented by the Commerce and Employment Department to the States at their September 2011 meeting and, if accepted, would, inter alia, lead to some changes to the Shareholder Guidance. However, for the present, that Guidance remains unchanged.

States Housing Strategy

- 12.7 In February 2003, (Billet d'Etat II, 2003) the States agreed that the principal objectives of the Housing Strategy should be as follows:
 - To ensure that all persons legally resident in Guernsey have access to housing accommodation to meet their reasonable needs.
 - To meet housing needs in a sustainable manner in the long-term interests of the community as a whole, making prudent use of all resources and recognising that investment in housing must be prioritised and compatible with strategic policies and the wider programme of public expenditure approved by the States.
 - To ensure that there are measures in place to limit any growth in population through immigration in order to manage housing demand in accordance with the principles of sustainability.
 - To provide the community with a range of housing options, acknowledging that while home ownership has historically been the preferred means of meeting housing needs, good quality, fairly priced housing may be provided across the housing market by other means and through a variety or mix of agencies – public, private and voluntary.

- To enable housing to be provided for those financially unable to enter the private housing market, either to purchase or rent, through a range of housing measures attuned to meeting their specific housing needs including social rented housing, partial ownership schemes etc.
- To enable the provision of supported accommodation for persons with special housing needs including accommodation for older persons, young people, persons with a learning disability, persons with a mental illness, ex-offenders etc.
- To maintain and improve the quality of housing in Guernsey across all sectors bearing in mind the impact of housing conditions on the health and well-being of the community.

13. FISCAL AND ECONOMIC PLAN: 2011 UPDATE

Mandate

- 13.1 The Fiscal and Economic Plan sets out the objectives, strategy and plans in place to fulfil the Fiscal and Economic Policy Group's mandate which is:

'to oversee the development of long-term fiscal and economic strategy'

Plan Policy

- 13.2 The Fiscal and Economic Plan ('FEP') is drafted with the following politically endorsed working assumptions:

- sustainable economic growth is desirable and is to be pursued as a means of increasing the standard of living of Guernsey's residents and providing tax revenues to fund ever increasing demands for public services, in particular education, health and law and order;
- the principle that the private sector is the engine of economic growth;
- the public sector's role is to provide the necessary competitive fiscal and macroeconomic environment to enable the private sector to flourish;
- fiscal policy's prime objective is to promote long term economic growth; and
- the maintenance of a competitive position for Guernsey is an imperative for future economic success.

- 13.3 Thus the maintenance of this competitive position is best served by a continued conservative fiscal stance of the States (and internationally competitive tax position) and maintenance of Guernsey's reputation for being a well regulated, tax transparent jurisdiction together with measures to control inflation (and hence costs) and supply side³ measures that foster innovation and improve the productivity of both the workforce and companies. Finally, continued investment in key strategic infrastructure is essential to maintain Guernsey's competitive position.

- 13.4 The general objectives of the plan, first set out in 2009, are as follows:

- Long run fiscal balance: spending within constraints of the Fiscal Framework.
- Continuing OECD Tier One Status.

³ 'Supply side' the side of the economy concerned with the production of goods and services, usually in reference to the factors of production such as labour, land etc (as opposed to 'demand side' which is concerned with the demand for such goods and services.)

- Average economic growth of 2% or more per annum.
- Stable and low inflation: RPIX 3.0%.
- Continuing full employment.
- Skilled, flexible labour market.
- Diversified, broadly balanced economy.
- Well regulated, competitive domestic markets.
- Modern key strategic infrastructure, with public capital investment averaging 3% of GDP.

13.5 The final objective set out in 2009 is also retained but within the common terminology of the SSP is separately classified as a ‘specific’ objective, that is, in place until such time as the States returns to fiscal balance:

- Real term freeze on aggregate States revenue expenditure.

Underlining the critical nature of competitive fiscal position for Guernsey the following general objective is added to the plan:

- Maintenance of an internationally competitive fiscal regime.

Underling the importance of financial services and its regulation to Guernsey’s economy, the following general objective is also added to the plan:

- Maintenance of an internationally respected financial services regulatory regime: adopting and applying international standards.

Plans, projects and programmes to achieve objectives

- General Objective: Maintenance of an internationally competitive fiscal regime.

13.6 The most significant current ongoing project concerning the core objective of maintaining an international fiscally competitive regime is the corporate tax review. Commenced in late 2009, following reported concerns with the zero/10 regimes by the EU Code of Conduct Group on Business Taxation (the ‘Code Group’), the project is a review of the corporate tax regime to meet the following five objectives, namely that any revised corporate tax regime for Guernsey:

- must be “competitive”;
- must be “internationally acceptable”;
- must “promote a sustainable economy in Guernsey”;
- must be based on a simple, solid rationale (and not over-complicated);
- must give rise to other benefits such as double taxation agreements;

- 13.7 This project is under the political direction of the Chief Minister, Treasury and Resources Minister and Commerce and Employment Minister. A public consultation was conducted during the summer of 2010 and provisional feedback on that consultation was published in November, 2010.
- 13.8 As was communicated by the Chief Minister to the States in June, 2011, the five key criteria of the review remain unchanged. However, as was also communicated in that statement, the Code Group will formally assess the 'rollback' proposals⁴ of the Isle of Man and Jersey, whose corporate tax regimes were assessed as harmful in February, later this year. In addition, the territorial regime of Gibraltar will also be subject to informal assessment by the Code Group. Following conclusion of these Code Group assessments, it is anticipated there will then be sufficient clarity for an informed evaluation of options to be undertaken.
- General objective: Long run fiscal balance: spending within constraints of the Fiscal Framework
- 13.9 The project to initiate an annual independent report, in line with the fiscal framework strategy, was completed. An independent report on the States fiscal performance was published in December 2010 and another report will be published at the end of this year.
- 13.10 The SSP implicitly sets out a strategy, which if successfully achieved, returns the States revenue budget to balance by 2015/2016. The 2010 independent fiscal performance report highlighted various risk factors to achieving that position and also stated that this 'balanced' position was most likely cyclical and a 'structural' deficit position would remain. Alongside the results of the corporate tax review, the FEPG will be reviewing the projected fiscal position and any supplemental measures that may be required to achieve a structural balance and reporting through Policy Council in due course.
- Specific objective: Real term freeze on aggregate States revenue expenditure
- 13.11 Until such time as the States returns to balance, this objective remains of paramount importance. The States successfully achieved this objective in 2010 and with the 2010 deficit of £37.4m it is vital that this is again achieved in 2011 and beyond.
- General objective: Continuing OECD Tier One Status
- 13.12 Committing to tax transparency and ensuring the States continues to be viewed in the highest regard internationally is an ongoing programme across

⁴ 'Rollback' being a Code Group term, the Code Group report of June, 2011, specified this term as 'a removal of any harmful effects', 'harmful effects' meaning effects that are non compliant with the Code criteria (see Guernsey Corporate Tax Review, Fiscal and Economic Policy Group, June, 21st 2010).

numerous policy groups outside FEPPG including the External Affairs Policy Group. Maintenance of the OECD, tier one status is just one measure of success. Guernsey continues to negotiate to expand its list of Tax Information Exchange Agreements. In February, the Global Forum on Transparency & Exchange of Information for Tax Purposes (“the Global Forum”) independently confirmed that Guernsey has not only followed through its 2002 commitment to observe the OECD principles on transparency and exchange of information for tax purposes, but has made substantive developments in expanding its exchange of information network.

- 13.13 Following a public consultation in 2010, the States approved the movement to automatic exchange of information, under the measures Guernsey adopted equivalent to the EU Savings Tax Directive, during the course of 2011. In January, the UK’s HMT classified Guernsey as a ‘category 1’ jurisdiction in determining penalties for offshore non-compliance⁵ (acknowledging the transparency of Guernsey’s regime).

- General objective: maintenance of an internationally respected financial services regulatory regime: adopting and applying international standards.

- 13.14 In January, the International Monetary Fund (‘IMF’) published six evaluation reports which recognised and commended the high standards of financial regulation, supervision and stability that Guernsey has developed. Given the importance of financial services to Guernsey’s economy it is vital that the regulatory regime should maintain and retain the international respect it currently enjoys.

- 13.15 The approach of the Guernsey Financial Services Commission (‘GFSC’) should be to encourage and enhance respect between government, regulator and industry, but not in any way to compromise the operational independence of the GFSC in the discharge of its regulatory functions. The GFSC should continue, as in the past and as appropriate, to work collaboratively with the financial services sector, recognising that the effective but proportionate enforcement of the regulatory and supervisory regimes for which the GFSC is responsible is now expected by the international community.

- 13.16 In November 2011, the Chief Minister wrote to the Chairman of the Commission clearly setting out the objectives for financial regulation in the discharge of its regulatory functions. In discharging its functions with a view to achieving these regulatory objectives, the GFSC is expected at all times to bear in mind the importance of the financial services sector to Guernsey, and so the economic benefit it brings, and the importance of the regulatory regime to Guernsey’s competitiveness.

⁵ Penalties for any offences carried out in category 1 regimes are no higher than prior to January 2011. Those carried out within territories classified as category 2 and category 3, are 1.5 and 2 times greater respectively, reflecting the UK’s view of the lesser transparency of territories in those categories.

13.17 Of necessity, these objectives are expressed in general terms, and are in no particular order.

- Maintaining financial stability in the regulated finance sector.
- Managing risk to the financial system and maintaining market confidence.
- Ensuring fair, efficient and transparent markets.
- Protecting financial services' customers.
- Countering financial crime and the financing of terrorism.

13.18 The FEPPG was consulted on the terms of reference of the Independent Evaluation Review presently being conducted on behalf of the GFSC.

- General objective: Average economic growth of 2% or more per annum

13.19 This objective was set with reference to the recent historic average performance of Guernsey, and as such should be viewed as Guernsey's 'natural' growth rate. There is no specific project to achieve this objective which should be successfully delivered if the States achieves its other fiscal and economic objectives.

- General objective: Stable and low inflation: RPIX 3.0%

13.20 The project arrangements for the anti-inflation strategy have been partially completed: a target for inflation has been set. Inflation has been stable and around target since late 2008. The arrangements for the overseeing of competition remain under development. The Commerce and Employment Department has prepared a new service development bid to enable the implementation of the competition regime in Guernsey and this will be considered during the SSP debate. The costs of the implementation of the competition law have been reduced in last year's unsuccessful bid as a result of greater co-operation and joint working between the Office of Utility Regulation and the Jersey Competition and Regulatory Authority.

- General objective: Continuing full employment.

13.21 Achievement of this objective is predicated on ensuring sufficient aggregate demand in the economy and by successful implementation of return to work policies of the Social Policy Plan and by successful achievement of the following objective related to the labour market.

- General objective: Skilled, flexible labour market.

13.22 As reported in the FEP 2010, Commerce & Employment has been working with the Social Security and Education Departments together with industry, the College of Further Education and the GTA – University Centre in the preparation of a Skills Strategy for Guernsey. At the time of writing the three

political boards are now considering the Skills Strategy Development Group's report and its recommendations for the future ownership and governance arrangements to deliver the proposed actions.

- General objective: Diversified, broadly balanced economy.

13.23 Whilst Guernsey has a more broadly balanced economy than many similar sized competitor jurisdictions, this objective is viewed as important for both the economy at large and within the dominant financial services sector. This higher degree of diversification is believed to have been a key factor in the resilience and robustness displayed by the Guernsey economy during the recent global downturn. Diversification for diversification's sake is clearly not intended. Guernsey has scarce and limited land and labour resources and reallocation of resources from high to low value activities would both reduce Guernsey's overall economic output and reduce taxation revenues. What is sought is development of high value, low physical footprint activities that leverage Guernsey's existing expertise and skill set of its workforce.

13.24 Commerce & Employment is in the process of the development of an economic development strategy that will set out key projects and timelines to deliver the plan which will be reviewed by FEPC during the course of 2011. Commerce & Employment has various projects under development to broaden the revenue streams of the finance sector including the development, with Jersey of a Channel Islands Aircraft Registry, introduction of image rights legislation and the proposals for development of Foundations legislation.

- General objective: Well regulated, competitive domestic markets.

13.25 Commerce and Employment has completed its review of Guernsey's Utility regulation regime following a detailed report by the Regulatory Policy Institute and a wide ranging consultation with stakeholders. The Department's States Report is due to be debated by the States in the autumn. With respect to competition law, as noted earlier the Department has prepared a new service development bid to seek new funding in 2012 to ensure that Guernsey has well regulated, competitive domestic markets.

- General objective: Modern key strategic infrastructure, with public capital investment averaging 3% of GDP

13.26 The delivery of this objective is through States public investment, the Island Resource Plan for Infrastructure, and maintenance of a stable, competitive environment where infrastructure providers such as telecoms have business confidence and are faced with sufficient demand to continue to re-invest.

13.27 It is recognised that the current Fiscal and Economic plan makes neither specific mention of the issue of land use nor any indication of the required allocation for economic use. The new economic development strategy together with the Island Infrastructure Plan will seek to set out estimates and

parameters of projected requirements to be balanced against other competitive demands for this scarce resource. It is hoped that within this it will be able to provide estimates of future demand for various land/property types so that guidance of required future requirements can be quantified and set out in the plan in future years to assist the planning prioritisation process.

14. SOCIAL POLICY PLAN: 2011 UPDATE

Introduction

- 14.1 This report (the 2011 Social Policy Plan) reviews the States Social Policy Objectives. In addition, the SSP team have suggested that the States Strategic Objectives be outcome focused and that they include more specific/detailed objectives. The initial sections of this report aim to meet this requirement. As such, the report sets out a framework for future social policy developments instead of the individual new initiatives that social policy departments would like to progress.
- 14.2 This year the report does not provide a progress update on last year's social policy plan's work programme. Although significant progress was made in 2010, it has been decided to include this information on the States website www.gov.gg. This change means that the 2011 Social Policy Plan is more succinct and also that the update provided on the website is more recent at the time the States Strategic Plan is debated (up to date at May/June 2011, rather than February/March).
- 14.3 The inter-relationships (connections and conflicts) with other aspects of the States Strategic Plan are discussed which helps to set the context in which this year's review has been prepared.
- 14.4 Finally any recommendations are explained.

Refining Objectives

- 14.5 In 2009 the States agreed to a number of strategic objectives for social policy, with one minor change in 2010. The States Social Policy Objectives agreed for 2010 are currently: -
- i. Foster an inclusive and caring society which supports communities, families and individuals:
 - Provide an environment which encourages a fair, inclusive, non-discriminatory, safe, caring and viable community which allows talent and hard work to be rewarded;
 - Promote awareness of entitlement to services and benefits and explain departmental processes and rights of appeal to service users.
 - ii. Assist people to help themselves and become independent where possible, by encouraging personal responsibility:
 - Enhance people's ability to realise their potential and increase their personal and social wellbeing;
 - Provide/facilitate opportunities for independence and improved self esteem;
 - Include a duty of individuals to take personal responsibility to the fullest extent possible for the welfare and actions of themselves and their children.

- iii. Promote active and engaged citizenship:
 - Promote a culture of active and engaged citizenship, in which self-development, participation in community and civil life and caring for disadvantaged neighbours are key features.
- iv. Promote, and remove barriers to, equality, social inclusion and social justice:
 - Promote social inclusion and the design of policies that limit the damaging effects on the life chances of those who could be said to be socially excluded.
- v. Meet welfare needs and reduce poverty:
 - Focus on human welfare issues that are directed towards meeting recognised needs in health, housing, income maintenance and education and provide access to quality services in these areas;
 - Aim for Islanders to live their lives free from poverty.
- vi. Improve housing availability, quality and affordability:
 - To ensure that all persons legally resident in Guernsey have access to housing accommodation to meet their reasonable needs.
- vii. Maintain a healthy society and safeguard vulnerable people:
 - Pursue a strategy for health and social services which promotes the attainment and maintenance of optimum health for each individual (in terms of length and quality of life) and which supports and safeguards vulnerable members of the community.
- viii. Maintain the Bailiwick as a safe and secure place to live:
 - Promote and support policies which aim to reduce crime and disorder and keep the Bailiwick a safe and secure place to live.
- ix. Promote equality of educational opportunity:
 - Evolve policies for education, training and lifelong learning which promote equality of educational opportunity.
- x. Encourage all who need, or are able, to work to find employment:
 - Provide support, careers guidance and training to those who need it most to find and retain suitable, sustainable employment when they cannot do so unaided.

14.6 It has been proposed that the above objectives are seen as general long term aims and that they should in future be outcome focused.

14.7 The Social Policy Group is therefore recommending that these objectives should be re-worded, as follows:

- i. An inclusive and caring society which supports communities, families and individuals.

- ii. Individual independence achieved where possible, but with States assistance when needed, in order to encourage personal responsibility and self-help.
- iii. Active and engaged citizenship.
- iv. Greater equality, social inclusion and social justice.
- v. Less poverty and good standards of social welfare.
- vi. Better housing availability, quality and affordability.
- vii. A healthy society with safeguards for vulnerable people.
- viii. A safe and secure Bailiwick.
- ix. Greater equality of educational opportunity.
- x. Employment for all those who need and are able to work.

14.8 The SSP team is also recommending that the States should consider more refined and specific objectives that are also outcome focused in the short to medium term to assist the prioritisation of new service developments and to set the direction for change. In terms of social policy, the following more specific change objectives listed in italics are proposed. These relate directly to the more general objectives listed above, as illustrated.

14.9 The Specific Objectives:

Less poverty and good standards of social welfare.

Adequate assistance to meet welfare needs, incentivise working and reduce duplication of administration.

To review the benefit system, including supplementary benefit and disability benefits, to ensure that: minimum income standards of living in Guernsey are considered; both in work and out of work benefits are incorporated; working is incentivised throughout the tax/benefit system; gaps in provision for vulnerable groups are addressed, including those identified by the Townsend Centre as being most vulnerable to relative poverty; and both duplication of means testing and anomalies between the housing, education and social security department benefits are minimised.

Better housing availability, quality and affordability.

Supported accommodation to promote and support independent living.

To consider and address future housing needs, in particular housing to meet the needs of the Island's ageing population and other vulnerable groups in a

way that encourages independence whilst ensuring that appropriate care and support is provided in a cost effective manner.

A healthy society with safeguards for vulnerable people.

Health and social care services to focus on prevention, health improvement, protection and independence.

To move towards a model of health and social care which encourages independence and gives greater focus to health improvement including preventative services, promoting healthy lifestyles and appropriate social support for independent living. This includes rebalancing health and social care to reduce care being focused too strongly in the acute hospital sector and ensuring that adequate provision is provided for vulnerable groups, especially with respect to mental health and disability services.

A safe and secure Bailiwick.

Stronger emphasis placed on prevention, pre-offending, rehabilitation and victim-centred services.

To ensure that, as well as continuing to provide traditional protection and enforcement services, greater emphasis is placed on prevention and victim-centred services for example: addressing pre-offending behaviour; offender rehabilitation; and taking a restorative approach.

Greater equality of educational opportunity.

Greater equality of early childhood opportunity and pre-school educational provision.

To ensure that quality pre-school service provision (for 3 and 4 year olds) and early childhood experiences are provided to those children of pre-compulsory school age to maximise life chances and equality of educational opportunity later in life.

Employment for all those who need and are able to work.

Additional support and protection to those who need it to find and sustain employment.

To enhance participation in, and the effectiveness of, the workforce including the development of a Skills Strategy. In particular, to provide support (e.g. employment support, childcare support etc), appropriate employment protection, careers guidance and training to those who need it in order to find and retain suitable, sustainable employment when they struggle to do so unaided.

Greater equality, social inclusion and social justice.

The elimination of discrimination based on grounds of sex, race or disability and the introduction of civil partnerships.

To strive to promote equality wherever possible, especially with respect to previous States objectives to minimise sex, race and disability discrimination and to introduce civil partnerships. [Other types of discrimination will be addressed in due course but priority will be given to the work already identified in last year's Social Policy Plan.]

Active and engaged citizenship

Stronger partnership working with the third (voluntary and community) sector.

To strengthen partnership working with, and provide assistance to, the voluntary and community sector in order to promote civil/citizenship activity, to encourage the whole community to contribute to social policy, and to develop cost effective services that meet gaps in existing statutory social welfare provision.

Progress Reports

- 14.10 Although progress has been made in social policy, it is still slower than the Social Policy Group would like to see. Following last year's SSP debate progress has been made on implementation of the social bids that were successful in last year's planning process including:
- The establishment of the Domestic Abuse Strategy including the commencement of the independent domestic violence advisory service, tendering for programmes for perpetrators and enhanced therapeutic work with children and families through HSSD.
 - The appointment of a Criminal Justice Strategy Coordinator.
 - Implementation of the Children and Young People's Plan.
 - The successful pilot Community Service Scheme has continued and is secure now that long term funding has been agreed for the scheme through the SSP process.
 - The business case for the initial stage of the Obesity Strategy has been approved.
 - In addition, although not receiving SSP funding, an in-house study of minimum income standards in Guernsey is underway between the Social Security and Housing Departments, with assistance from the Policy and Research Unit and the Centre for Research in Social Policy (CRSP) at Loughborough University.
- 14.11 This year the Social Policy Plan report does not provide a progress update on last year's entire social policy work programme. Instead it has been decided to include this information on the States website. This change means that the 2011 Social Policy Plan is more succinct and also that the update provided on

the website is more recent at the time the States Strategic Plan is debated (up to date at May/June 2011, rather than February/March).

- 14.12 A further significant development concerns discussion of the role of the Policy Council in the development, and implementation of, social policy initiatives. Whilst advising the States on the formulation, implementation and coordination of strategic and corporate social policy is firmly within the Policy Council's mandate, the same cannot be said of implementing operational initiatives arising out of these strategies, especially where such initiatives may appropriately sit within the mandate of another Department or where one States Department may be an obvious lead department with other States Departments contributing where their assistance is required (for example the Children and Young People's Plan and the Obesity Strategy are led by HSSD).
- 14.13 The Policy Council currently has political responsibility for the Domestic Abuse and Drug and Alcohol strategies. This was appropriate whilst the strategic direction of these cross-departmental strategies was being set. However, both strategies are now operational and it is not appropriate that Policy Council staff should be involved in setting up domestic violence advisory services and perpetrator programmes. Instead it could be argued that such services fit better with the Home Department (The Police run the Multi-Agency Risk Assessment Conferences – MARACs which refer into the Independent Domestic Violence Advisory Service and the new Perpetrator Programme will be managed through the Probation Service) under the umbrella of the Criminal Justice Strategy and Community Safety Plan that are being led by that Department. In practice, although the Policy Council still has political responsibility for the Drug and Alcohol Strategy, the Coordinator is already based in the Home Department, the budget is part of the Home Department's allocation and the Chief Officer of the Home Department chairs the Bailiwick Drug and Alcohol Strategy Group.
- 14.14 It has therefore been recommended that political responsibility for leading on the Drug and Alcohol Strategy and the Domestic Abuse Strategy should transfer to the Home Department. In practice, this means transferring the Domestic Abuse Strategy budget and the Domestic Abuse Strategy Coordinator post to the Home Department. The Law Officers have advised that the Policy Council can effect this change in responsibility under paragraph (a) (x) of its mandate and that the Home Department can agree to take on this responsibility under paragraph (b) (ii) of its mandate. Both the Policy Council and the Home Department have been consulted and support this suggestion. Therefore, at the time of writing, steps are being taken to transfer responsibility for the Drug and Alcohol and Domestic Abuse Strategies to the Home Department and the States of Deliberation are asked to note this change (see Proposition 3). In particular, the current States resolutions directing the Policy Council to report back on these strategies will now be followed up by the Home Department.

Connections, Conflicts and Context

- 14.15 The ultimate aim of social policy is to improve the quality of life of Islanders. This includes ensuring community safety as well as meeting needs in health and social care, housing, income maintenance, education and social security. In addition, a focus on inclusion and active citizenship are important, such as increasing participation in employment and social and leisure activities, all of which can enhance general well being.
- 14.16 The 2009 Social Policy Plan contained a number of key issues such as maintaining a strong economy in order to be able to fund social initiatives; planning for an ageing population and meeting the needs of low income Islanders and vulnerable people, all of which remain as important today.
- 14.17 However, discussions in social policy have moved on to include a policy layer between the long term general social policy objectives previously agreed by the States and the specific projects/programmes that States Departments would like to put forward for funding. These discussions have highlighted eight key areas for change which have been set out above as specific social policy objectives for change.
- 14.18 There are key themes behind these objectives which are about early intervention/prevention, working more efficiently (both within the States and between the States and the voluntary sector), and promoting independence and employment in order to deliver better outcomes but at the same time to mitigate projected increases in service costs. For example, meeting welfare needs is important so that all Islanders have sufficient income for a good diet, to be able to access medical care at an early stage, and to give children and young people access to social and developmental activities that most Islanders take for granted. A key issue with respect to housing is that residential and nursing care are more expensive than less intensive forms of care such as extra care housing, sheltered housing and community care but, paradoxically, the current system means that residential care is paid for by the States but many families do not have access to accommodation with a lower level of care so they are forced into more expensive residential care prematurely. A similar problem is apparent within the health and social services system, whereby acute services are relatively well developed but preventative, rehabilitative and social care services are less well supported. This encourages dependence on acute services rather than reaching people before they need admission to hospital or helping them to rebuild their lives more quickly. A move towards an independence model would both improve quality of life and mitigate increasing expenditure. Such a theme is continued through both the criminal justice change objective, which focuses on increasing prevention and rehabilitation, and the education change objective, which is concerned with pre-school education and early childhood experiences which have been proven to influence outcomes in later life.

- 14.19 However, such social policy developments do come with increased investment expenditure. This is not helped by the current financial position, the fact that many expenses such as health inflation tend to be higher than general inflation and that the Island's dependency ratio (the proportion of people of non working age in relation to those of working age) is projected to increase. All of these factors make paying for existing services increasingly more difficult, let alone enhancing services. That said, there are some clear examples where early investment can lead to a reduction in projected expenditure in the longer term. Hence there are clear links between social policy, population policy and fiscal and economic policy and closer working between the Social Policy Group and the Fiscal and Economic Policy Group (or their successors) is required in the next States term to map the projected social and economic outcomes of different options.

15. ENVIRONMENTAL POLICY PLAN: 2011 UPDATE

Policy Objectives

- 15.1 The Environmental Plan was intentionally drafted to have a life of 25 years without requiring substantial change to the vision or core objectives. Rather, the objectives would be achieved through a series of action plans. This approach was adopted to reflect the way the environment reacts to changes. Generally speaking the environment does not react to small short term changes but to prolonged long term programmes. As such, the Environmental Policy is framed in terms of outcomes/long term objectives. These have been translated into ‘General Objectives’ as part of the revised Statement of States Aims and Objectives in this year’s SSP to sit alongside the Fiscal & Economic Policy and Social Policy General Objectives.
- 15.2 Although there are no ‘Specific Objectives’ relating to Environmental Policy in the Statement of Aims and Objectives the Statement makes reference to the Action Plan below.

AIM (Vision statement)

Consideration of our environment will be core to all policy decisions and actions. Environmental Policy will be equal, not subservient, to economic and social policy. The quality of our environment will be protected and enhanced. The Island will respond in an environmentally sustainable way to local issues and existing and emerging global challenges.

Outcomes

1. The States of Guernsey will provide clear leadership through education, information and action on environmental issues and challenges.
2. The States of Guernsey will demonstrate delivery of its environmental priorities.
3. Guernsey’s environment in 2030 will be healthier than in 2008.
4. Environmental considerations will be integrated into all policies, programmes and service delivery.
5. Reputable evidence will be available and used to inform the decisions ultimately taken.
6. Education about environmental issues and impacts will have been provided and quality information will be readily available.
7. Individuals will understand, and take informed decisions about, the way they interact with the environment.
8. Stakeholders’ roles and responsibilities will be understood leading to co-operative delivery of outcomes.

9. There will be enhanced readiness in the Island to respond positively to [climate change] impacts, consequently reducing adverse effects of impacts.
10. The Island's contribution to green house gases will be reduced through leadership and engaging active community participation.
11. The amount of waste generated will be minimised.
12. Water resources will be effectively managed.
13. Our use of energy will be more sustainable.
14. We will be more self sufficient.
15. Our biodiversity will be healthier.
16. Specific species and habitats requiring targeted action will have been identified and supported.
17. Our farming and countryside heritage will have retained its distinctive character.
18. Our built environment will be of high quality, reflecting our local distinctiveness and supporting our communities.
19. Our buildings will embrace high environmental quality standards.
20. Our heritage will retain its distinctive character.
21. Our unique identity will be protected and recognition given to the importance of our traditional architecture. Extreme care and sympathy will be exercised towards our culture and heritage in the application of modern architecture and developments.
22. There will be a reduction in air pollution.
23. There will be improved ground water quality.
24. Solid and liquid waste disposal will accord with environmentally acceptable methods.
25. Emergency plans will be in place to deal with major incidents.
26. The risks associated with radon and electromagnetic radiation will be disseminated.

The Action Plan

- A. Investigate the probable effects of sea-level rises on coastal defences – localised flood studies.
- B. Departments to identify probable impacts of climate change within their mandated areas of responsibility (taking into account latest UK Government climate change projections), and the potential actions to be taken to address these effects.
- C. Identify and consider the life-cycle issues of waste management in Guernsey.
- D. Having due regard to social acceptability identify best practical environmental options in respect of waste management practices.
- E. Investigate the practicality and desirability of establishing policies and incentives to promote grey water recycling.
- F. Investigate the practicality and desirability of incentivising an increase in local food production on Guernsey.
- G. Reduce traffic pollution by encouraging cleaner emissions and supporting reduced use of motor vehicles.

- H. Undertake a full island habitats survey and identify key habitat changes since the 1999 Survey.
- I. Identify requirements in order to progress extending the UK's signature to the United Nations Convention on Biological Diversity, to Guernsey.
- J. Identify legislative and policy mechanisms for the generation of a Marine Spatial Plan delivering the sustainable eco system approach.
- K. Review the structure of the Island's spatial planning policies and specifically the desirability and practicality of maintaining the UAP/RAP divide.
- L. Develop positive planning guidance generally and specifically in respect of listed buildings and conservation areas.
- M. Review policies for the determination of listed buildings.
- N. Review planning policies concerning the use of dilapidated sites, principally those left from the agricultural and horticultural industry.
- O. Review the practicality and desirability of enhancing policies and support mechanisms to protect Guernsey's rural culture with specific reference to traditional agricultural practices and dairy farming.

Progress

- 15.3 To date the Environmental Plan has received no additional resources beyond those available to Departments within their routine revenue and capital budgets. Attempts to obtain funding through Capital Prioritisation and New Service Delivery bids have, for understandable reasons, been unsuccessful. As a consequence, progress against the actions and outcomes is slow. The members of the Environmental Policy Group discussed this matter soon after the last SSP debate and agreed that efforts should be directed at taking forward those areas already resourced and, to a lesser extent, exploring those areas where progress could be made without committing additional resources.
- 15.4 The "Coastal Defence Flood Studies" report was commissioned by the Environment Department using retained unspent revenue balances with the agreement of the Treasury and Resources Department. These studies are ongoing. The Department has seen the preliminary draft report and at the time of writing it is anticipated the final report will be available by late summer 2011.
- 15.5 A number of Departments joined the Environment Department at a Climate Change workshop held in Guernsey at which Roger Street, Technical Director of the UK Climate Impacts Programme, presented a methodology to develop headline messages to facilitate decision making and prioritisation of climate impacts mitigation.
- 15.6 The Public Services Department has continued to consult on the islands waste management strategy, which will be submitted for States consideration in the autumn, and has recently commissioned a minor report into life cycle costs for clear glass disposal.

- 15.7 The Environmental Policy Working Group has received papers on the issues surrounding grey water recycling and has noted the UK's targets for reducing water consumption. The group also noted the projects being undertaken in respect of rain water recycling in the new schools. The group noted that, at present, Guernsey is on target for managing water consumption and that, therefore, the introduction of grey water recycling need not be expedited.
- 15.8 The Commerce and Employment Department is engaged in a programme of work with the Environment Department to consider the strategic policy context that would facilitate the local production of food by commercial farmers and growers, part-time smallholders and by people wishing to have access to land for allotments. The Department has also promoted 'local' food production and has been involved in the development of a 'local' quality food mark. It is also progressing the development of the new States slaughterhouse that will encourage the production of locally produced meat.
- 15.9 The Environment Department, in accordance with resolutions of the States, is in the process of preparing a States Report setting out a vision, objectives and policy options for the delivery of an integrated strategy to address the on-island transport issues. That work will be progressed in the light of the resultant States Debate.
- 15.10 The Environment Department commissioned a full habitats study from Environment Guernsey through La Société Guernesiaise and received a draft of the report in February. The next steps will entail identifying from the study the main habitats and hence species at risk in order to develop management plans and policies.
- 15.11 At officer level, the Environment Department with the Sea Fisheries section of the Commerce and Employment Department is building relationships with the UK Marine Management Organisation. Specifically a British Irish Council Ministerial meeting on the Marine Environment provided the opportunity for discussions on the inclusion of the Channel Islands in talks between the UK and France in delivering the Marine Framework Directive and "Good Environmental Status" of our seas. These talks have prompted further contact from the UK and a meeting between the MMO and Crown Dependencies has been scheduled. At the same time the French Chef de la Mission of the Normand Breton Marine Natural Park, has presented his teams work to the Policy Group members and is now seeking to work at officer level in order to ensure that Guernsey data on marine biodiversity is captured within their investigations.
- 15.12 Work on preparing the replacements of the Urban and Rural Area plans, specifically data gathering, has been progressing in the background pending the States decisions in respect of the Strategic Land Use Plan. Policies in respect of dilapidated sites have been discussed by the Environmental Policy Working Group and will be taken forward in response to the Strategic Land Use Plan.

- 15.13 Work on reviewing the schedule of protected buildings and developing guidance notes for scheduled buildings and conservation areas has suffered as a result of staff losses. However the relevant team within the Environment Department is now at full strength and further progress in this area is expected.
- 15.14 As for policies dealing with dilapidated sites, the expectations are that policies to maximise land use whilst continuing to protect the character of the rural area will be contained within the Detailed Development Plans.

Connections and conflicts

- 15.15 In terms of spatial planning detailed policy development follows from the Strategic Land Use Plan. Thus, whilst the SLUP is a resource plan rather than a policy plan, the legal structure is such that the detailed development plans that are able to assist in delivering some of the policies and actions set out in the Environmental Plan are developed in light of, rather than ahead of, the Strategic Land Use Plan.
- 15.16 As indicated above the Environment Department has been working on the broad outline content of a new integrated transport strategy. The transport strategy, which has the ability to significantly contribute to the delivery of some of the outcomes and actions set out in the Environmental Plan is, however, dependent on other spatial developments. The harbour strategy has obvious impacts on the movements of heavy goods vehicles and the resultant review of the road hierarchy. The land use plans impact on the availability of land for off road manoeuvring as part of the driving tests as well as land availability for housing and maintenance of the bus fleet. This in turn impacts on the type and size of the bus fleet, the efficiency of operations and hence the role public service vehicles can play in the delivery of a transport strategy. The availability of road space for cycle paths, pavements and off street parking is also dependent on the strategic land use decisions taken.
- 15.17 Similarly some of the options to address some of the flooding issues being identified as part of the flood studies and coastal defence works will have spatial planning dimensions. The fact that the islands main coastal roads are in such close proximity to the beach fronts means that traffic flow, land use and coastal defence are intrinsically linked. Hence the development of the DDPs, the options to address coastal defence, elements of the transport strategy and the development of the SLUP are all interrelated.
- 15.18 The Energy Policy is currently being revisited by the Energy Policy Working Group. The current expectation is that the revised energy policy will take the form of a Resource Plan again with the core policies and targets contained in the Environmental Plan. The Environmental Plan is likely, therefore, to require some minor modification once the States has debated the revised Energy Plan.

Context

15.19 The members of the Environmental Policy Working Group considered carefully the progress that had been delivered in the absence of any additional or dedicated resources and took note of the very pressing resource demands resulting from the social policy work. The group concluded that generating further action plans at this stage, whilst there remain several areas of work to be delivered against the current action plans, would be counter-productive and that submitting bids for new service developments was not justified. The group is of the view that once various areas of work under the current action plan are further advanced; including the flood studies, strategic land planning, marine spatial planning, habitats studies and the integrated transport strategy, more specific work streams and potential resource requests will become apparent. In the interim the group holds the view that work should continue within the Departments available resources to progress further the existing action plan.

16. DEPARTMENT AND COMMITTEE POLICY PLAN SUMMARIES

- 16.1 For the reasons explained in the covering report in the sub-section 'Policymaking in States Departments and Committees' the Department and Committee Policy Plan Summaries are appended to the SSP Billet.

17. POPULATION MANAGEMENT PLAN - UPDATE

- 17.1 The Policy Council's sub-group, the Population Policy Group (PPG), has continued to research and develop the issues that must be addressed and various proposals and options for the development of a regime that could provide the States with the ability to manage the size and make-up of the Island's population in the future. This work has now got to the stage where in April this year, the PPG completed a 14 week public consultation process on those proposals and options.
- 17.2 The proposals do not seek to change the current States policy to maintain a population of approximately 61,000, (see Corporate Policies section of the Plan) but they are aimed at influencing the population over the medium to long term and are designed to be effective whether the States population policy at any point in the future is for the population to rise, to fall or to remain static.
- 17.3 Developing such a mechanism is not an easy task. It is one which must take account of a vast range of factors affecting the Island, from our international relationships and obligations to the consequences of an ageing population and our aspirations about how we want life in Guernsey to be in the future. This needs to be done in a way that will benefit the community – maintaining Guernsey's unique character and environment, while ensuring that the Island remains an attractive place to live and work with a buoyant and diverse economy. The consultation process explained the limitations on what we might be able to do and asked the public to consider some difficult decisions.
- 17.4 Given that managing the Island's population is such a complex and wide ranging issue, the PPG was pleased that more than 350 detailed responses to the consultation were received and that more than 800 people took the opportunity to attend the PPG's various public events.
- 17.5 At the time of writing, the PPG is about to publish a report providing an open and transparent summary of the public feedback that was generated through the consultation process. This will provide a key reference point as the work to develop a population management regime continues.
- 17.6 The PPG has reviewed all of the feedback and is now in the process of considering what proposals it will recommend to the Policy Council. The Policy Council intends to bring forward a States Report towards the end of this year, which will provide the opportunity for a focused debate on how we might manage the size and make-up of the Island's population in the future.

18. ENERGY PLAN - UPDATE

- 18.1 The States noted the original Energy Policy at their meeting in June 2008. Since that time significant progress has been made investigating most of the work streams identified for further research. In particular, the Commerce & Employment Department has done much to put in place the necessary administrative and legislative procedures and arrangements to facilitate the development of macro-renewable energy in Guernsey at the appropriate time. Annual updates of this work have been included for the information of States Members and the wider audience as part of the annual States Strategic Plan process.
- 18.2 Even when the original Energy Policy was drafted it was acknowledged that developments were taking place rapidly on a global and national scale in relation to many aspects of energy policy. It was envisaged that the first policy would be due for review within a period of three to five years.
- 18.3 The Policy Council's Energy Policy Group and the Commerce & Employment Department have been reviewing the original policy in the light of further developments and an improved knowledge of energy policy matters, and have jointly agreed that the time is right to review the original policy with a view to submitting a new report to the States. It is hoped that this report will be completed in time for submission to the States during this parliamentary term, although the timescale for this is indeed tight.
- 18.4 Given the parallel developments with the States Strategic Plan, it has also been agreed that the updated policy will be written as an Island resource plan so that it is more in keeping with the other resource plans of the SSP, rather than a policy plan. The aim is to move the targets for greenhouse gas reductions and electricity generated from renewable sources out of the Energy Plan and into the Environmental Policy Plan. In this way the States will still debate and set the targets, but the Energy Resource Plan will then be amended to deliver the strategic policy objectives.
- 18.5 Members will recall that the 2008 Energy Policy was built around three headline policies as follows:-
1. Reduce overall energy usage and minimise wastage;
 2. Ensure a diverse and robust energy supply, which is sufficient for Guernsey's needs; and
 3. Switch progressively to clean renewable energy sources to achieve a long-term reduction of Carbon Dioxide emissions of 80% from 1990 levels by 2050.
- 18.6 While it is still very early days in the above review, it is anticipated that a revised Energy Plan would retain three strategic objectives which largely reflect these headline policies, although as mentioned above with the revised

document becoming an Energy Resource Plan, targets are likely to be moved into the Environmental Policy Plan.

- 18.7 Work is well underway with the production of a draft Energy Resource Plan which, subject to States debate, will replace the original Energy Policy. It is hoped to complete the work, which includes widespread consultation, in time for the States to debate the report in the current parliamentary term.

19. STRATEGIC LAND USE PLAN - UPDATE

- 19.1 The current Strategic Land Use Plan (SLUP) is a statutory document which was prepared under the terms of the former planning law as the Strategic and Corporate Plan. It remains in force under the terms of the new law [The Land Planning and Development (Guernsey) Law, 2005], until formally revised by the States but it is no longer designated as the 'Strategic and Corporate Plan'. The purpose of the SLUP is to provide guidance to the Environment Department to ensure that the land planning system is responsive to the Island's economic and social and environmental needs. Prior to the publication of the Development Plans, the Environment Department must have a 'certificate of consistency' from the Strategic Land Planning Group to confirm that the Development Plans are consistent with the SLUP.
- 19.2 The SLUP is currently undergoing a complete review. Under the banner of 'Guernsey Tomorrow', a full public consultation process took place which sought the views of a broad cross section of the Island's population. A full summary report of the Guernsey Tomorrow initiative has been published and can be found at www.guernseytomorrow.gg.
- 19.3 A Strategic Land Use Plan Review Options Paper was presented to the States in October 2010 which outlined the spatial strategy options for the revised SLUP and can be found in Billet XX, 2010. This provided States Members with the opportunity to consider and debate possible options for the future direction of strategic land use planning. Following the States debate, the Strategic Land Planning Group held a series of workshops with States Members to identify the preferred spatial strategy for land use planning within the Island, based on the findings of Guernsey Tomorrow, information gathered from States departments and the Strategic Land Use Plan Review Options Paper.
- 19.4 At the time of writing, a revised SLUP is being prepared by the Strategic Land Planning Group. The Group aims to present this to the States for consideration in November this year (2011). Once the new SLUP has been adopted by the States, the Environment Department will, in turn, proceed with the review of the Urban and Rural Area Plans to meet the new strategic agenda. These plans may be replaced with a different form of Development Plan as one of the main objectives of the SLUP review is to consider whether or not policies based on an 'urban/rural split' (which directs the majority of new development to the urban area), remains a valid guiding principle for the next 20 years.
- 19.5 The SLUP in its present form can be viewed on the States website. It forms part of the 2007 Government Business Plan report in Billet d'Etat XVIII, 2007.

20. ISLAND INFRASTRUCTURE PLAN - UPDATE

1. Introduction

- 20.1 **In 2009 and 2010 the States noted that a group of chief and senior officers led by the Chief Officer of the Public Services Department is working to the Ministers of the Public Services, Environment and Commerce & Employment Departments on the development of an Island Infrastructure Plan. This is the group's latest progress report.**
- 20.2 Infrastructure is a key resource in ensuring that any community and economy works effectively. The development of this Island Infrastructure Plan forms part of the States Strategic Planning (SSP) process and is all about identifying what Guernsey needs in terms of structures and facilities.
- 20.3 Infrastructure planning exists to ensure we have the physical structures and facilities needed to deliver current and predicted services and policies. It recognises the high cost of such facilities and is a tool for making decisions for the future.
- 20.4 The 2010 Infrastructure Plan progress report provided a broad picture of the key Island Infrastructure. The 2011 progress report focuses on those elements that are managed and/or owned by government. It is not however the finished article. Rather, it is evolutionary in nature. In seeking additional information to build the full picture of the Island's Infrastructure requirements it has become apparent that the information about the current value and condition of much of the Island's key infrastructure is somewhat limited.
- 20.5 The use of asset registers, which record this type of information, varies across the States although tends to be better in the trading bodies. This makes it difficult to predict with any measure of certainty what the Island will need to spend in the coming years to maintain adequately its current infrastructure and to understand the full financial picture of its future requirements. Addressing this shortcoming will be important in ensuring the States is able to manage the long term investment in infrastructure.

2. Purpose of the Infrastructure Plan

- 20.6 The primary objectives of the Plan are to facilitate decision making in respect of infrastructure investment by the States and the private sector over the next five to twenty years and also to improve the management and use of Guernsey's existing infrastructure assets. The States has recognised the need to prioritise both its revenue and capital expenditure and ensure it delivers value for money in the case of taxpayers' funds.
- 20.7 To achieve the overarching objectives of the States as set out in the SSP the Infrastructure Plan incorporates four broad strategies.

First, to provide the evidence base that will facilitate infrastructure planning and construction across Guernsey by identifying infrastructure considerations resulting from the other plans within the overall SSP.

Second, to inform policy and debate on the options for more **efficient** and competitive infrastructure systems.

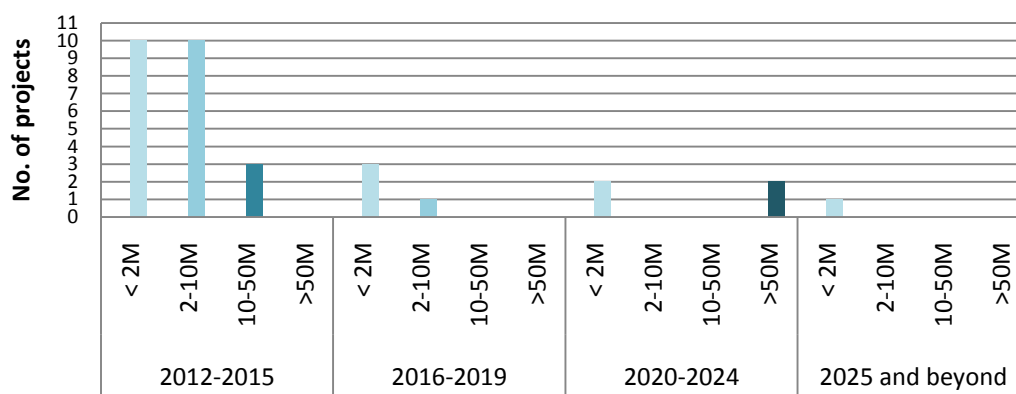
This may, for example, require the promotion and/or use of measures to manage peak demands and congestion in water, energy and transport systems; Encouraging shared and multiple uses of assets through co-location by agencies; and assuring appropriate and timely maintenance of existing strategic assets.

Third, to inform decisions on **sustainable** development through sound planning and use of infrastructure assets. Effective governance arrangements for asset management and associated service delivery are critical.

Fourth, to inform the Capital Prioritisation and Land Planning processes. This is achieved by considering the islands infrastructure issues over a much longer planning horizon and viewing them against the land use constraints and capital prioritisation plan thus facilitating a simple Gap analysis and hence assisting subsequent informed debate and policy setting.

- 20.8 In seeking to produce this Plan it has become evident that additional data is required to ensure that the first strategy of the plan, to provide an evidence base, is achieved. Only as this data is received and analysed will future iterations of the plan be able to offer meaningful predictions of the expenditure that will be required to maintain existing infrastructure and deliver new in order to fulfil the States Objectives.
- 20.9 The table below, which summarises the returns from Departments for future capital expenditure, shows how the majority of reported projects are in the immediate future rather than the medium or long term.

Future capital expenditure for strategic infrastructure projects
by electoral cycle and value



3. **Infrastructure – A definition**

- 20.10 Infrastructure is found everywhere in the daily lives of Guernsey's citizens. It encompasses roads, airport, harbours, the hospitals, schools, water and waste management systems. It provides the basis for Guernsey's economic and social systems to work well.
- 20.11 It is expensive to build, operate and maintain, but it usually has a long life and delivers benefits across generations. Guernsey's residents currently benefit from the infrastructure investments made by previous generations.
- 20.12 Infrastructure is not however limited to the large physical structures but embraces all those significant services and facilities without which the community and economy would struggle to function effectively. For ease the range of infrastructure can be categorised in three main groups:
- Physical
 - Green
 - Social & Community

Examples of each of these categories are:

Physical

Transport, Energy, Water & Drainage, Waste, ITC, Coastal Defences, Historic Legacy.

Green

Open Space, Watercourses, Coast, Historic Landscape

Social and Community

Affordable Housing, Education, Children's Services, Health, Community services, Culture, Leisure.

- 20.13 For the purposes of the current development stage of the Island Infrastructure Plan the focus is primarily on 'physical' infrastructure.

4. **Evolution**

- 20.14 The IIP is in its evolutionary phase and is likely to remain so at least for the next few years. The aim is that it sets the scene for the future and thereby helps decision-makers understand the physical infrastructure requirements necessary for the implementation of the policies set out in the SSP.
- 20.15 It is not, and never will be, a precise tool. It needs to adjust and flex as times and circumstances change. Infrastructure requires long term planning and in this respect there are areas we can predict with a measure of confidence, for example we know that:

- (a) the relative proportion of the population requiring care as older people is increasing;
- (b) sea levels are rising which will necessitate critical decisions about coastal defences;
- (c) the current discharge arrangements for hydrocarbons in St Sampson's Harbour are not sustainable in the long term.

20.16 To meet future infrastructure needs will require changes. At the same time it is appreciated that the vast majority of our infrastructure will neither expand nor contract in the short term but will nonetheless have to be maintained and replaced from time to time. For example:-

- (a) the road infrastructure is broadly the same now as it was 20 years ago and is likely to be the same in 20 years time;
- (b) many children attend the same school and even sit in the same classrooms as their parents had previously sat;
- (c) the potable water supply infrastructure extends over the whole Island and beyond local extensions to supply new developments is unlikely to change.

20.17 Long term plans require long term thinking. Managing the assets in the medium term requires up-to-date information on condition and replacement values.

20.18 For the medium term, the data gathering for the IIP has highlighted that the focus of most States Departments is on the 'here and now'. This is quite understandable given that customers are explicit with their demands and expectations. It has however revealed the limited information which is held about the value and condition of the existing infrastructure assets.

20.19 It is also understood that the States Strategic Planning process is also evolving and that the States only have long term strategies in limited areas. This is changing and it is recognised that even where such strategies exist, achieving consensus on the exact form of the required infrastructure can, and often does, take time to achieve. By way of example well over a decade has been spent seeking the optimum long term solution for solid waste disposal. At the same time the Island's only waste disposal site (a landfill quarry outside the water catchment area) is nearing the end of its life.

20.20 Another example is the rising sea level. Inevitably the Island will need to invest in coastal defence, but given the high price of such investment there will always be reasons to put the decision off to another day; to a future States; to the next generation of taxpayers. However, the risk of delaying too long is that a severe storm results in flooding with major reputational, financial and social loss to the Island that far outweighs the cost of prevention.

- 20.21 The lack of a standardised asset database combined with the limited availability of many long terms strategic plans across the States makes predictions of future infrastructure requirements difficult.
- 20.22 The data gathering exercise therefore highlighted two key changes the States need to contemplate, namely-
- (a) to focus more on the long term, and
 - (b) to record more clearly the condition of the current infrastructure assets, their ongoing maintenance requirement and to have a clear replacement programme

5. **The Role of the States**

- 20.23 Guernsey is unusual compared to many Western European and other OECD countries in that the States provide infrastructure assets and services in a number of sectors (e.g. electricity, water and waste water) which are delivered by the private sector elsewhere. Despite the privatisation of Guernsey Telecoms in 2002, the States will continue to play a central role in the development of the Island's physical infrastructure. Social infrastructure will continue to be delivered primarily by the States.
- 20.24 Whilst private sector infrastructure providers will be driven by commercial interests and seek to maximise private returns to their shareholders, the States will be responsive to community needs and seek to maximise public returns. In these areas the States will play an important role as facilitator, co-ordinator and regulator of private industry involved in the provision of infrastructure.
- 20.25 The States will also have a responsibility, through the Emergency Powers Advisory Group, to work with the critical infrastructure providers to ensure the protection of our infrastructure in the face of a range of potential natural and other hazards or threats. This includes the continued maintenance of risk management standards and plans as well as emergency responses and rapid recovery arrangements.
- 20.26 The States will wish to work closely with private infrastructure providers to encourage growth where needs are greatest and to identify and address, in a co-ordinated manner, both potential risk to the infrastructure and also infrastructure-related bottlenecks to growth. Within the public sector the States will monitor the condition and use of assets to replicate this approach within the States.
- 20.27 The States Capital Prioritisation Programme, and the process that underpins this, represents a marked shift from the previous 'first come first served' system. This fundamental change highlights a new culture of managing across rather than within and portfolio structures should support better outcomes for the States in a more strategic way than has been the case in the past.

6. What are the issues and what needs to be done?

- i. To be effective in both identifying current infrastructure requirements and predicting with greater accuracy for the future the States needs to have a comprehensive record of all its built assets.
- ii. In terms of creating an Infrastructure Plan it is essential to be able to assess with a degree of certainty what is required to maintain the current infrastructure asset base and to identify the key dates when there will have to be significant capital investment on maintenance or replacement.
- iii. The States needs to develop long term plans for infrastructure requirements in each Department.
- iv. To address these 3 issues the following is recommended by the Infrastructure Plan working group:
 - a. Treasury & Resources Department to advise and instruct Departments on the preparation and maintenance of asset registers for all physical infrastructure.
 - b. Departments to develop long term plans covering at least the next 20 years identifying maintenance of and changes to the supply and scope of the infrastructure required to deliver their mandate.
 - c. All Infrastructure related capital projects presented to the States are to include a 20 year programme for the area of the investment including both capital and revenue costs.

20.28 These recommendations have been accepted by the Policy Council and translated into Propositions 12, 13 and 14 for States endorsement.

21. BUSINESS PLANNING SECTION

Financial Forecasts

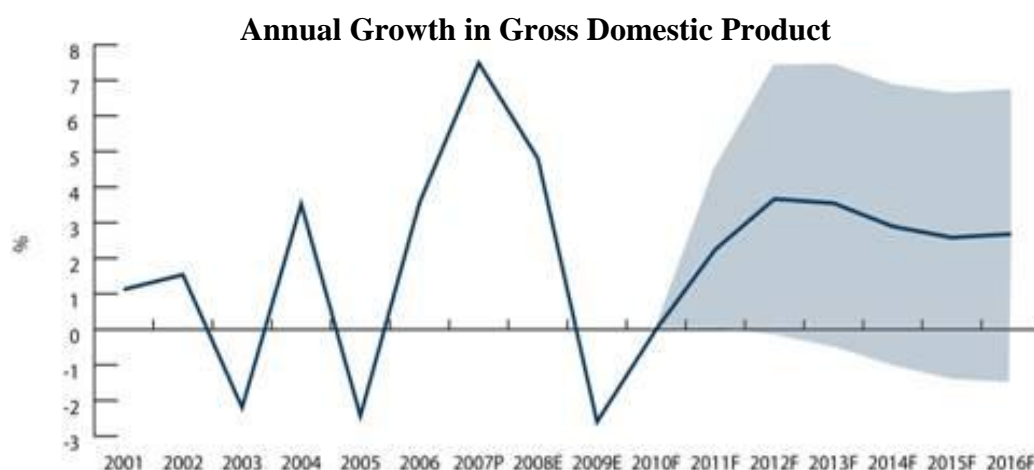
- 21.1 Building on work undertaken in previous years, Treasury & Resources staff have provided the Policy Council with a five year financial forecast model which has been updated to provide outturn estimates for the years 2012 – 2016 as well as an updated forecast for 2011. It is important to note that the model delivers potential outcomes based on probabilistic forecasts and no certainty should be ascribed to the outputs. This is particularly applicable for the later years of the model which are increasingly uncertain and based on layers of assumptions.

Forecast Outturn 2011

- 21.2 Based on the actual results for the first six months of the year, the original Budget estimates for 2011 have been updated to show forecast out-turns. ETI receipts in the first half of the year have been strong showing nominal growth over the same period in 2010 of some 6%. This has resulted in a more positive out-turn position now being forecast. Other income taxes prove much more difficult to forecast as receipts depend largely on the timing of assessments. However, the out-turn is estimated to exceed the budget by some 1%. With other taxes and income forecast to deliver marginally below the original budget, the overall projection for the year end revenue income position is for the budget to be met and exceeded by some 0.5% or circa £2m.
- 21.3 The latest estimates for formula led expenditure in 2011 indicate that out-turn is likely to be marginally greater than originally expected. However, this is balanced by non formula led budget headings forecasting under-spends of some £3.5m or 1%. Overall this indicates that spending in 2011 is likely to be in line with the Fiscal and Economic Plan target of no real growth in aggregate revenue expenditure over 2010.

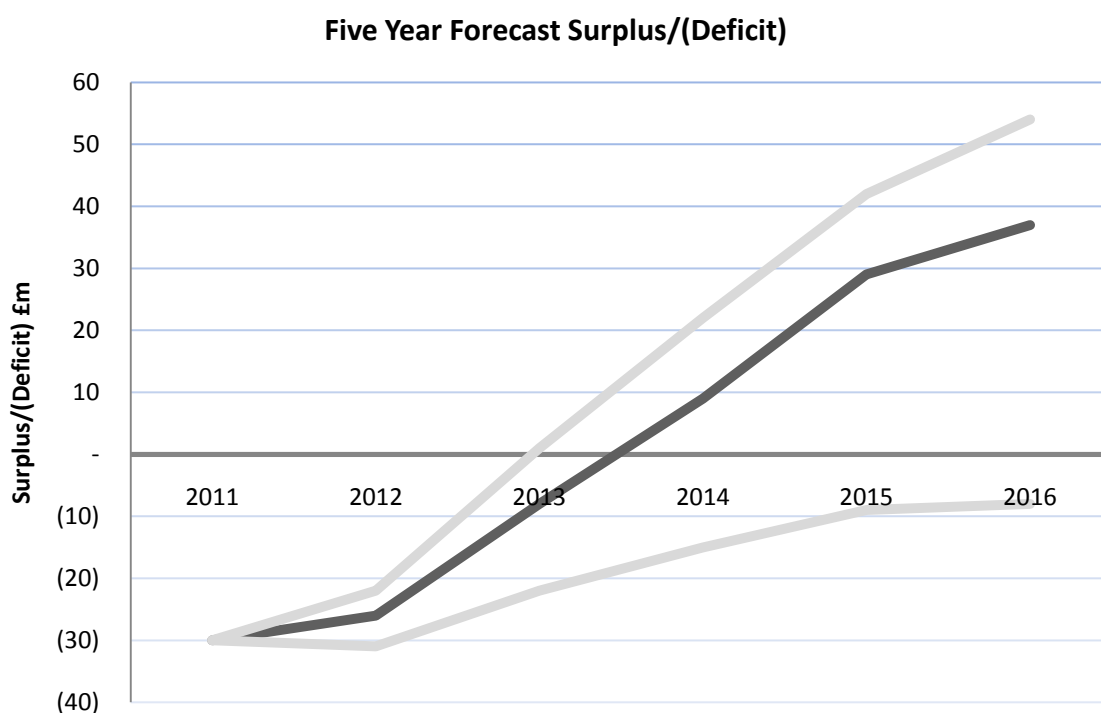
Forecast 2012 - 2016

- 21.4 The forecasts for future years use the 2011 forecast out-turn as the baseline and the income projections are based on the latest GDP forecasts provided by the Policy and Research Unit within the Policy Council as depicted in the chart below.



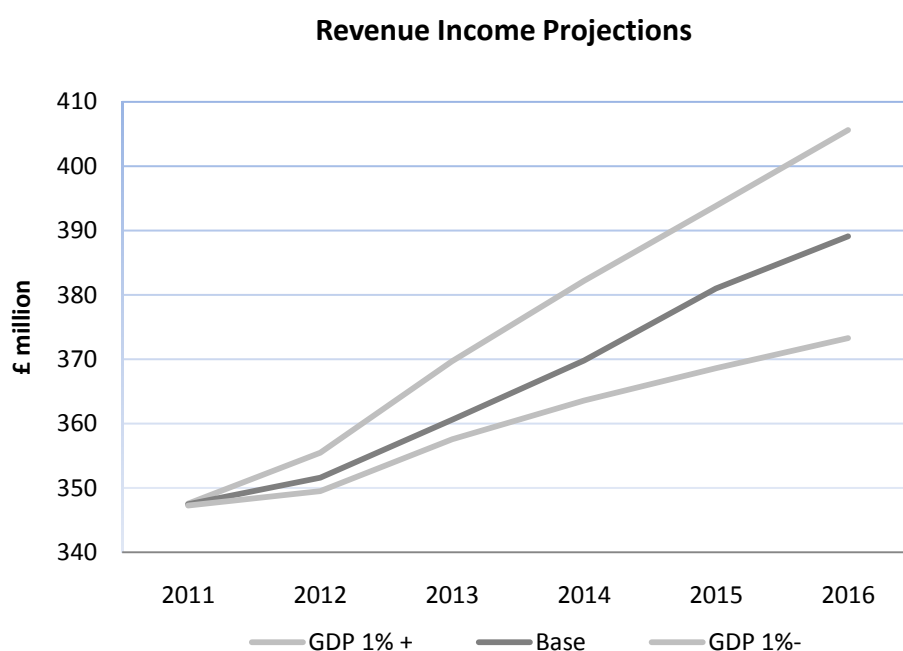
- 21.5 The central assumption for GDP is for the subdued growth in the current year (estimated at 1.4%) to be replaced by stronger growth over the following three years in the range of 3.1% to 3.7% per annum. This is followed by more moderate growth in the final two years at 2.7% and 2.6% respectively. This forecast growth has been adjusted for lead and lag times and used to determine estimates of revenue income, in particular income tax, over the five year period.
- 21.6 The chart clearly shows that although the central case predicts a particular growth trajectory, there is a large degree of uncertainty as to the actual position. The fan above (ie the shaded area), depicts a range within which there is a degree of certainty the results will lie. On that basis, modelling has been undertaken at GDP growth both one percent more than and one percent less than these central forecasts.
- 21.7 By using the above and adhering to agreed policies in respect of general revenue expenditure and capital appropriations, the central case has been developed which shows the overall deficit being eliminated by 2014 with surpluses being generated beyond that point thereby replenishing the Contingency Reserve. The detailed assumptions are laid out at the end of this section but the following important assumptions should be noted:
- The model is based on the current corporate tax system and no allowance has been made for any possible changes to the tax structure;
 - No allowance has been made for any potential future budget measures i.e. changes to indirect taxes or personal income tax allowances; and
 - No changes have been assumed to the current level of appropriations to the Capital Reserve although they do not currently comply with the Fiscal and Economic Plan target of capital investment averaging 3% of GDP.

- 21.8 The table displaying the model outputs follows Paragraph 21.28. The chart below depicts the deficits and surpluses over each year as the dark central line. The lighter lines that bound it demonstrate some of the sensitivities of the model to minor changes in the assumptions. The top line depicts an additional 1% per annum GDP growth which is comfortably within the range of possible outcomes as shown in the fan chart above. This kind of buoyant economy coupled with continued expenditure restraint would lead to the deficit largely being eradicated by 2013 and surpluses being generated from that point and able to replenish the Contingency Reserve or fund additional capital expenditure.
- 21.9 The bottom line on the chart conversely depicts what might happen to the fiscal position were there to be 1% less GDP growth in the economy per annum coupled with a mere 1% growth in revenue expenditure and an erosion of the savings delivered by the Financial Transformation Programme (FTP). This would see public finances remain in deficit by the end of the period albeit at a reduced absolute level and would indicate a continued structural deficit in the region of £20m.



- 21.10 The FTP is forecast to reduce revenue expenditure by £31m per annum by the end of the five year programme. Delivering a successful programme will involve making some difficult decisions over the coming months from reductions in subsidies to investment in systems in order to free up substantial savings and efficiencies. These decisions will make a real and lasting impact on the States' finances and delivery of the savings could make the difference between removing or sustaining the structural deficit.

- 21.11 The States decided in the 2009 iteration of the States Strategic Plan that all of the savings in the first three years of the FTP would be made available to fund new service developments. This plan represents the last of those three years and the base case modelling for future years assumes no additional service developments are funded. This assumption has a significant impact on the results. Were the existing policy of investing savings in new services to be extended then a structural deficit would certainly remain at the end of the period and in absolute terms a break even position would only just be achieved.
- 21.12 The States will be asked to consider any future use of FTP efficiency savings to fund New Service Developments as part of the 2012 States Budget debate.
- 21.13 The modelling clearly demonstrates the sensitivities to what may appear to be minor changes to income and expenditure of a mere 1% and therefore shows that:
- The generation of growing tax receipts as a result of a buoyant economy is at the heart of the fiscal well being of the States. The difference in tax receipts between GDP growth at 1% above central forecast and 1% below could amount to over £30m per annum by the end of the period

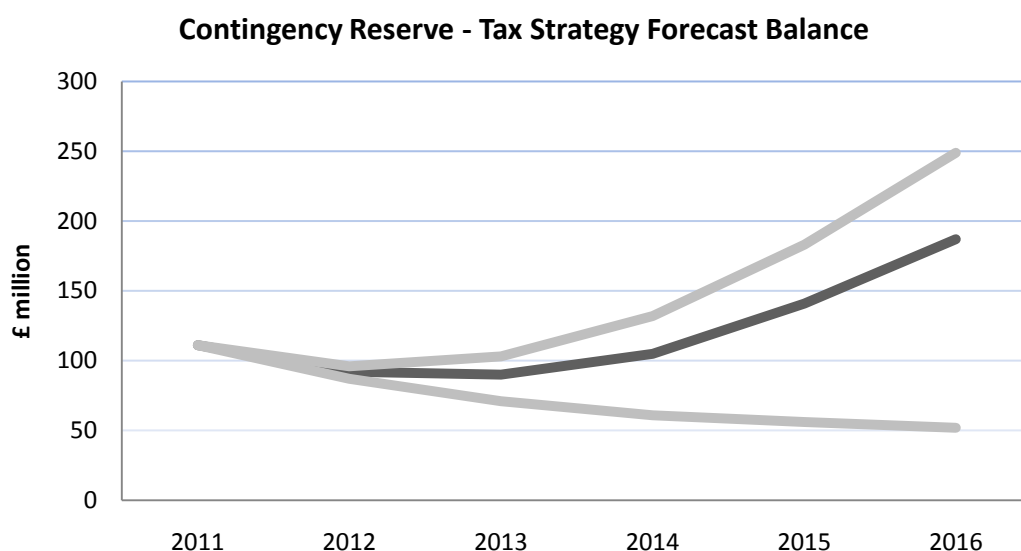


- Successful delivery of the FTP will have the largest single positive impact on the overall financial position if the savings generated are used to reduce overall expenditure rather than to invest in new

services.

- Although challenging, continued expenditure restraint and delivery against the Fiscal and Economic Plan target of a real terms freeze on aggregate revenue expenditure contributes materially to fiscal sustainability.

21.14 The Contingency Reserve – is available to fund the deficits arising as a result of the move to the current tax strategy. The Reserve stood at £100m when it was established in June 2006. Thanks to lower than anticipated calls on the reserve to fund deficits in the first three years of Zero-Ten and a change to the investment strategy resulting in higher returns, the balance of the fund at the beginning of 2011 stood at £132m. The chart below shows how the balance of the Reserve might move over the five year forecast period, again adjusted to show sensitivities.



21.15 In the central case, and assuming that any surpluses are appropriated to the Reserve, the balance would drop to some £73m in 2013 before increasing to £150m by the end of the period. Conversely, the balance could drop below £50m by the end of 2016 if expenditure is allowed to grow and economic growth remains below forecast.

Assumptions

21.16 The assumptions that have been used to develop the base case are detailed below:

Inflation

21.17 All income and expenditure is projected in 2011 cash terms. That is, no inflation has been applied to either income or expenditure.

Revenue Income

- 21.18 The Policy Council's Policy and Research Unit has provided economic forecasts based on estimates of GDP adjusted for lead and lag times which are used to estimate revenue income which is correlated to GDP.
- 21.19 The central assumption for GDP is for the subdued forecast growth in the current year (estimated at 1.4%) to be replaced by stronger growth over the following three years in the range of 3.1% to 3.7% per annum. This is followed by more moderate growth in the final two years at 2.7% and 2.6% respectively.
- 21.20 The central case has been modelled based on the current corporate tax system and without any allowance for any budget measures relating to indirect taxes or tax allowances which might be proposed in future budgets in line with the current tax strategy.

Revenue Expenditure

- 21.21 In line with agreed policies revenue expenditure has been held at current levels i.e. no real growth. This policy now includes formula led expenditure and therefore any forecast real growth in this heading has been offset by a corresponding decrease in non formula led headings.
- 21.22 Known and forecast revenue consequences of the approved Capital Programme have also been factored into the revenue expenditure totals which are also coupled by a corresponding decrease in the non formula led expenditure heading to ensure compliance with the Fiscal and Economic Plan target of no expenditure growth. These revenue costs remain best estimates of the actual impact of capital developments.

FTP Efficiency Savings

- 21.23 The forecast savings for 2012 are the amounts by which it is expected that budgets will be reduced for projects currently underway according to the latest plans of the FTP team. To reflect the lack of certainty over the timings of future years' savings, these have been profiled equally with the total FTP savings totalling £31m by the end of the five year programme although it has been assumed that some budgets will not be adjusted until the 2015 Budget.

Service Developments

- 21.24 The expenditure on new service developments in 2012 is assumed to be as per the recommended list within this Plan.
- 21.25 No allowance has been made for funding new service developments beyond 2012.

Capital Income/Transfer from the Ports Holding Account

21.26 These have not been shown since it is assumed that any benefit would simply result in an increased appropriation to the Capital Reserve.

Routine Capital Expenditure

21.27 This is assumed to be static over the period.

Appropriations to the Capital Reserve

21.28 These are assumed to be static over the period with no allowance made for the additional £1.8m per annum required for the Capital Programme and no increase factored in to ensure capital investment remains at 3% of GDP per annum on average.

Financial Summary – Income and Expenditure (Base Case)

	2010 Actual £'000	2011 Budget £'000	2011 Forecast £'000	2012 Forecast £'000	2013 Forecast £'000	2014 Forecast £'000	2015 Forecast £'000	2016 Forecast £'000
Income Taxes	257,663	267,250	270,000	274,000	281,300	288,800	298,300	304,700
Other Taxes	70,051	74,750	74,500	75,600	77,300	79,000	80,700	82,400
Miscellaneous Income	3,365	3,750	3,000	2,000	2,000	2,000	2,000	2,000
<i>Total Revenue Income</i>	<i>331,079</i>	<i>345,750</i>	<i>347,500</i>	<i>351,600</i>	<i>360,600</i>	<i>369,800</i>	<i>381,000</i>	<i>389,100</i>
Non Formula Led Expenditure	(279,145)	(290,650)	(287,250)	(286,550)	(286,100)	(276,950)	(267,950)	(258,950)
Formula Led Expenditure	(50,872)	(52,550)	(52,750)	(53,150)	(53,550)	(53,950)	(54,350)	(54,750)
Revenue Consequences of Capital Programme	-	-	-	(300)	(350)	(500)	(500)	(500)
<i>Total Revenue Expenditure</i>	<i>(330,017)</i>	<i>(343,200)</i>	<i>(340,000)</i>	<i>(340,000)</i>	<i>(340,000)</i>	<i>(331,400)</i>	<i>(322,800)</i>	<i>(314,200)</i>
Base Revenue Surplus	1,062	2,550	7,500	11,600	20,600	38,400	58,200	74,900
Efficiency Savings (FTP)			1,800	1,800	8,600	8,600	8,600	-
New Service Developments (SSP)			(1,400)	(1,400)	-	-	-	-
Revised Revenue Surplus	1,062	2,550	7,500	12,000	29,200	47,000	66,800	74,900
Routine Capital Expenditure	(17,708)	(16,250)	(16,250)	(16,250)	(16,250)	(16,250)	(16,250)	(16,250)
Appropriation to the Capital Reserve	(21,300)	(21,300)	(21,300)	(21,300)	(21,300)	(21,300)	(21,300)	(21,300)
Net Surplus/(Deficit)	(37,946)	(35,000)	(30,050)	(25,550)	(8,350)	9,450	29,250	37,350
Contingency Reserve (Tax Strategy) Closing Balance	132,000	106,000	110,950	92,400	90,050	105,500	141,750	188,100

Recommended list of New Service Developments for 2012 funding

Rank by score	New Service Development	Policy Area *	Aggregated Score	Estimated cost in 2012 in £'000s	Estimated ongoing cost in £'000s
1	Restorative Justice Service	Social	76%	57	57
2	Implementation of Competition Law in Guernsey	Fiscal	75%	200	180
3	Reviewing the funding and organisational options for Guernsey's Health and Social Care services	Social	71%	235	-
5	Provision of temporary additional resources for the Office of the Children's Convenor	n/a	70%	98	123
6	Bowel Cancer Screening	Social	56%	328	328
6	Funding for family and friends care arrangements	Social	56%	206	323
8	Provide an adult learning disability short break (respite) service	Social	53%	211	355
9	'Hansard' Report of meetings of the States of Deliberation	n/a	45%	20	20
12	Revenue funding to support GTA University Centre	Fiscal	37%	30	300
			TOTAL	1,385	1,686

*This indicates the relevant Policy Group that considered the project in question. Where a project lies outside the ambit of the Fiscal & Economic, Social & Environmental Policy Groups it is marked "n/a" but this does not imply the project has a lesser status.

The following summaries have been provided by those submitting the proposals.

Restorative Justice Service (Home Department)

21.29 Restorative Justice (RJ) is a process whereby the parties affected by a particular offence come together to resolve collectively how to deal with the aftermath of the offence and its implications for the future.

21.30 This approach, in Guernsey, was adopted by the Home Department to ensure that the needs of victims were being fully integrated within the Criminal Justice System.

- 21.31 In 2009 the Home Department sponsored a 3 year pilot project to implement RJ on a significant scale across Government and non-Government agencies in the Bailiwick. A Restorative Justice Development Officer was employed and has developed a strategy which is a model of best practice for a restorative approach to how society responds to wrongdoing.
- 21.32 Significant restorative practice has been developed in schools, communities, police and probation services, and voluntary agencies.
- 21.33 The funding for the pilot ends in December 2011.
- 21.34 This proposal is to continue to employ the Restorative Justice Officer and to continue to implement the Restorative Justice Strategy.

The Implementation of Competition Legislation in Guernsey (Commerce and Employment Department)

- 21.35 This proposal is to set up a Guernsey Competition and Consumer Authority as a restructuring of the Office of Utility Regulation (OUR) in order to assume responsibility for the implementation of competition legislation in Guernsey. The new Authority will have the task of administering both economic regulation and competition law on an integrated basis in the Island, providing a comprehensive legislative infrastructure to maintain the competitiveness of the Island's economy by promoting efficiency and lower costs.
- 21.36 In 2010, the Director General of Utility Regulation was also appointed as Executive Officer of the Jersey Competition Regulatory Authority (JCRA) and the present proposal envisages a high level of joint working with the JCRA in Jersey in order to further regulatory policy co-ordination and minimise costs for both islands, for the benefit of businesses and consumers. This approach has the support of both the JCRA and the States of Jersey Economic Development Department.

Reviewing the funding and organisational options for Guernsey's Health and Social Care System (Health and Social Services Department)

- 21.37 This proposal is for non-recurrent funding to enable scenario modelling and an option appraisal to be undertaken to review the future funding and organisational structure of Guernsey's Health and Social Care System which, current estimates indicate, consumes in the region of 15% of Guernsey's GDP. The proposal also seeks to ensure the analysis covers the impact of the health and social care policy on States fiscal policy and vice versa.

Provision of temporary additional resources for the Office of Children's Convenor (Office of the Children's Convenor)

- 21.38 This proposal is for the appointment of 1 additional social worker post and for the secondment from the Scottish Children's Reporter Administration (SCRA)

of a further post, both posts being for three years, to assist the Children's Convenor to deliver the statutory functions under the Children's Law 2008.

Bowel Cancer Screening in Guernsey (Health and Social Services Department)

21.39 It is proposed to:

- i. Introduce a bowel cancer screening service in Guernsey using flexible sigmoidoscopy.
- ii. Invite both men and women of two age cohorts to attend for screening at the Princess Elizabeth Hospital.
- iii. Detect cancers at an early treatable stage as well as precancerous polyps which will be removed before they develop into cancer.
- iv. Prevent around 30-40 deaths from bowel cancer in Guernsey over ten years.
- v. Prevent 60-70 new cases of bowel cancer in Guernsey over ten years.
- vi. Save money from the costs of treatment avoided on people who otherwise would have developed cancer or may have advanced cancer.
- vii. Avoidance of carers costs.

Funding for Family and Friends care arrangements (Health and Social Services Department)

21.40 The proposal is for funding of family and friends care arrangements for children unable to remain with their parents, and Residence Order allowances. These arrangements are distinct from foster care, and lower rates of financial support are proposed in recognition of family carers not requiring the same levels of training and professional standards as required of foster carers. Friends and Family care does not replace foster care but is an additional provision, the Department will still be required to provide and fund Foster Care at the current levels.

Provide an adult learning disability short break (respite) service (Health and Social Services Department)

21.41 The separate provision of adult and child short break services is in keeping with decisions made in 2004 following the Machinery of Government changes. In line with children's legislation and adult service philosophy, there is a need to separate short break services for children and adults with a learning disability currently being provided at the Croft.

21.42 This proposal focuses on the development of an adult short break service to achieve the above by converting an existing residential unit into a two bed, short break facility for people with a range of physical and learning disability requirements. The cost of conversion is met through capital funding (Health and Social Services Department annual capital allocation) with the additional

staffing resources forming this request. In addition, an outreach service will be provided that includes support in the person's own home.

‘Hansard’ Report of meetings of the States of Deliberation (States Assembly and Constitution Committee)

- 21.43 This proposal is for the provision of a Hansard report of all meetings of the States of Deliberation. A Hansard report is a verbatim record of the deliberations of a parliament. The reports would be produced off-island using voice recognition technology. The reports would be published on the States website and as such would be accessible to States Members, staff and the general public.

Revenue funding to support the GTA University Centre (Commerce and Employment Department)

- 21.44 This proposal seeks an increase in Commerce and Employment Department's Grants and Supports Schemes allocation in order to enable the Department to increase its annual contribution to the GTA University Centre (GTA). This is principally due to the effects of the Guernsey Financial Services Commission (GFSC) giving notice of holding its 2012 contribution at the same level as that provided for 2011 creating an immediate £30,000 shortfall. The GFSC has also indicated that it will withdraw funding from 2013 and so the Department is seeking an additional £300,000pa from 2013 which combined with efficiency savings will ensure the financial security of the GTA.

Legislative Drafting Priorities for 2011-2012

Programme I

Major/significant items of draft legislation in the course of preparation as at 1 July 2011 with completion of first or final drafts envisaged by 30 September 2011.

Billet and Article No.	Resolution Date	Matter	Comments
III/03 (art. VI)	28.02.03	Animal welfare	Ordinance under Enabling Law dealing with general offences against animals; promotion of welfare; licensing of control. Seizing, taking of animals; seizure and detention of stray animals; regulation of activities involving animals; licensing of animal experiments; enforcement and appeals.
III/2005 (art.I) & further Report	30.03.05	Civil Contingencies	Law to establish Civil Contingencies Authority and to create powers exercisable in emergency. Draft Law sent to Alderney and Sark and stakeholders for comment.

XI/09 (art.XI)	29.04.09	Limited Liability Partnerships	Law to enable creation and regulation of limited liability partnerships including their formation, management, administration, conversion and migration.
XI/10 (art.VIII)	27.05.10	Land Planning and Development - covenants	Ordinance to enable planning covenants for social housing, etc - Draft Ordinance prepared and approved by Environment Bd.
XIII/2007 (art. VII)	25.04.07	Medical and Health Professions (Enabling Provisions) Law, 2011	Law creating power to regulate medical or health professions and medical or health service by Ordinance.
III/2008 (art. XIII) & XV/2010 (art. VI)	22.02.08 & 01.07.10	Tobacco Products (Guernsey) Ordinance, 2011	Ordinance under Tobacco Products (Enabling Provisions) (Guernsey) Law, 2010 to prohibit sale or supply of tobacco products to young persons, further regulating importation of tobacco products and restricting advertisement and display of tobacco products. Enabling Provisions Law currently with Privy Council awaiting Royal Sanction.
I/2008 (art.XVI)	30.01.08	Prisons – repeal and replace 1949 Law and 1998 Ordinance.	Prison (Enabling Provisions) Law, 2010 with the Privy Council awaiting Royal Sanction. Prison (Guernsey) Ordinance, 2011 required under Law dealing with functions of Prison Governor and other officers, independent monitoring, classification and treatment of prisoners, prisoners' entitlements, remission/early release, offences and penalties, prisoner discipline and repeals.
XXIII/02 (art. XIX)	27.11.02	Innovation Patents	Ordinance under Intellectual Property (Enabling Provisions) Law, 2004 creating Register of Innovation Patents and creation of relevant IP rights.
XXI/2006 (art. VIII)	15.12.06	Foundations	Law to enable creation and regulation of foundations, including their establishment, registration, migration, revocation, dissolution and termination. Consultation closed – comments being considered.

Programme II

Major/significant legislation to be drafted by 30/09/2012

Commerce and Employment Department			
Rank	Billet and Article no.	Resolution Date	Summary
1	States Report awaited		Image Rights: Ordinance under Enabling Law creating Register of Image Rights and creation of relevant IP rights.
2	II/2004 (art. VIII)	25.02.04	Arbitration Law: Repeal and replace Arbitration (Guernsey) Law, 1982.
3	States Report awaited		Amendments to Control of Borrowing Ordinance: repeal existing provisions with exception of application to Alderney.
4	VIII/06 (art.X)	27.04.06	Implementation of Convention on International Trade in Endangered Species: Ordinance under Enabling Law
5	XVI/09 (art.X)	25.06.09	Renewable Energy: licensing etc - Ordinances under Law. Must be co-ordinated with Sark Ordinances.
6	XXIII/02 (art.XIX)	27.11.02	Geographic Indicators: Ordinance under Enabling Law
7	XIII/2006 (art. XVIII) & XXI/2009 (art.IX)	27.07.06 & 29.09.09	Competition legislation: Ordinances under Enabling Law to establish Guernsey Consumer and Competition Authority and to regulate abuse of dominant position, anti-competitive practices and mergers and acquisitions.

Culture & Leisure Department	
No major legislation	

Housing Department	
	No major legislation

Education Department	
	No major legislation

Environment Department			
Rank	Billet and Article no.	Resolution Date	Summary
1	X/96 (art.VII)	30.05.96	Traffic Signs and Traffic Lights: Ordinance, 1988 - amendment
2	XX/00 (art.XVI)	11.10.00	Public transport legislation: amend and consolidate 1986 Ordinance. Draft prepared – needs updating for Departmental review.
3	VI/00 (art.VI)	24.02.00	Vehicle registration and licensing: Laws and Ordinances - substantial amendments

Health and Social Services Department			
Rank	Billet and Article no.	Resolution Date	Summary
1	XXIII/02 (art.XVIII)	27.11.02	Mental Health Law: Law awaiting Privy Council approval. Work on this project is regarded as a top priority for HSSD. Other than Commencement Ordinance, it is unlikely that Ordinances will be necessary under the Law. There are however, regulations required under various provisions of the Law to prescribe, amongst other things, necessary forms and other documents and rules of court in relation to appeals. Completion – Spring 2012.
2	I/2010 (art.XVI)	27.01.10	Introduction of hospital charges in relation to motor accidents.

3	XX/2007 (art.XI)	27.09.07	Extending nursing homes regulation (scope to include domiciliary nursing care)
4	XXII/2007 (art. VII)	01.11.07	Health and Social Services Charitable Trust Law, 2011: Law to dissolve trusts and transfer trust property to new trust known as Health and Social Services Charitable Trust

Home Department			
Rank	Billet and Article no.	Resolution Date	Summary
1	States Report awaited		Wireless Telegraphy: remedial legislation.
2	I/2011 (art.IV)	26.01.11	Forfeiture of Money in Civil Proceedings: amend 2007 Law to provide for more effective and efficient assistance to other jurisdictions.
3	XII/2008 (art.IX)	24.09.08	Fire Service: amendments to the 1989 Law.
4	States Report Awaited		Police Law: review of the 1920 Law.

Policy Council			
Rank	Billet and Article no.	Resolution Date	Summary
1	IX/2005 (art. XI)	29.06.05	Interpretation Law: Law to replace the Law of 1948.
2	II/2009 (art. XI)	30.01.09	Matrimonial Causes: amendments to 1939 Matrimonial Causes Law to enable division of assets and property transfer upon divorce. Draft Law prepared.

Public Services Department			
Rank	Billet and Article no.	Resolution Date	Summary
1	X/98 (art. IV) and XIII/06 (art. XV)	10.06.98 and 26.07.06	Merchant Shipping Law: [O. In C. VIII of 2004] and Convention on carriage of noxious and hazardous substances by sea: implement convention (set out in Schedule 5 to Merchant Shipping Law)
2	XI/07 (art. XII)	29.03.07	Merchant Shipping - oil pollution compensation: implement the 2003 Protocol to the Supplementary Fund [Ordinance XXXV of 2009]
3	XVI/06 (art. XV)	27.09.06	Sewerage - grants and loans: miscellaneous amendments to 1974 Law
4	III/07 (art. VI)	01.02.07	Public sewers on private land: amend 1974 Law to include right of appeal

Social Security Department			
Rank	Billet and Article no.	Resolution Date	Summary
1	XXI/2009 (art. XI)	31.07.09	Social Insurance (Guernsey) Law, 1978 ("the Social Insurance Law"): amend the Law to gradually increase pensionable age to 67 through increases of 2 months per year, starting in 2020
2	XX/2010 (art. V)	30.09.10	Social Insurance (Guernsey) Law, 1978 ("the Social Insurance Law"): amend the Law to allow monies to be used to provide access to the back to work benefits for any jobseeker who is an insured person
3	XX/2010 (art. V)	30.09.10	Social Insurance (Guernsey) Law, 1978 ("the Social Insurance Law"): amend the Law so that transaction costs of paying pensions and benefits to overseas destinations are passed on to the relevant beneficiaries ⁶

4	XX/2010 (art. V)	30.09.10	Social Insurance Law and the Health Service (Benefit) (Guernsey) Law, 1990: amend the Laws so that the Travelling Allowance Grant provisions are transferred to the Health Service (Benefit) (Guernsey) Law, 1990
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Treasury and Resources Department			
Rank	Billet and Article no.	Resolution Date	Summary
1	XXIV/09 (art. VII.9)	02.10.09	Income Tax: amend 1975 Law to include limited liability partnerships in definition of "partnership" (cannot proceed until LLP Law enacted (expected 2011))
2	States Report awaited (Sept '11)		Income Tax: amendments to the obtaining of information powers
3	States Report awaited (Sept '11)		Income Tax: Exempt Bodies amendments

Programme III

Drafting of legislation to commence when Programme II has been completed

Commerce and Employment Department		
Rank	Billet and Article no.	Resolution Date Summary
	<i>Limited Partnerships Law:</i> Law to enable creation and regulation of limited partnerships, including their formation, provisions as to partners; conduct of LPs; conversions; amalgamations; migrations; protected cell LPs; winding up and dissolution. (VI/2010 (art. XI)). 25.03.10	
	<i>Plant health legislation:</i> repeal and re-enact existing Ordinances (VIII/06 (art.IX)). 27.04.06.	
	<i>Utility Law:</i> revision of Regulation of Utilities (Bailiwick of Guernsey) Law, 2001.	
	<i>Company Law:</i> revision of Companies (Guernsey) Law, 2008 following review.	
	<i>Financial services:</i> review and consolidate financial services regulatory legislation.	
	<i>Genetically Modified Crops:</i> legislation to regulate (XXV/03 (art.XI)) 27.11.03	
Culture & Leisure Department		
	No major legislation	
Education Department		
	No major legislation	

Environment Department			
Rank	Billet and Article no.	Resolution Date	Summary
	States Report awaited		Planning Law: Revision of legislation in accordance with Scrutiny Committee recommendation
	States Report awaited		Control of water pollution: Ordinance under Environmental Pollution Law to bring into force Part VI of the Law, transfer functions relating to control of water pollution to Director of Environmental Health and Pollution Regulation and further regulate and control water pollution.
	States Report awaited		Control of air pollution: Ordinance under Environmental Pollution Law to bring into force Part VII of the Law and to regulate and control air pollution.

Health and Social Services Department			
Rank	Billet and Article no.	Resolution Date	Summary
	VIII/2011 (art. VI)	25.05.11	Food hygiene, food safety and official controls:
	VIII/2011 (art. VII)	25.05.11	Food supplements, nutritional information and health claims:

Housing Department	
No major legislation	

Home Department			
Rank	Billet and Article no.	Resolution Date	Summary
	XXII/2007 (art.X)	01.11.07	<i>Gambling Law: Law to replace Law of 1971</i>
	XVIII/2006 (art.X)	29.11.06	<i>Firearms: amend 1998 Law to include cross bows and spear guns</i>
	XVIII/2006 (art.XIII)	29.11.06	<i>Terrorism: new offences based on Terrorism Act 2006.</i>
	XI/2008 (art.XVIII)	01.08.08	<i>Sales of knives to under-18's: Amend PPACE and CI (MP) (BOG) Law, 2006</i>

Policy Council			
Rank	Billet and Article no.	Resolution Date	Summary
	Possibly further States Report required		<i>Legal Aid – Ordinances under Law to give effect to statutory scheme</i>
	States Report awaited		<i>Revised Edition of Laws: Law to enable publication of revised edition of Laws and consolidation of individual items by Law Revision Board.</i>
	XV/2010 (art. III)	30.06.10	<i>Parochial legislation working party: consolidation and repeal of various enactments relating to parochial affairs</i>

Public Services Department	
No major legislation	

Social Security Department	
	No major legislation

States Assembly and Constitution Committee		
Rank	Billet and Article no.	Resolution Date
	<i>XVI/89 (art 12)</i>	
		Summary
		<i>Government of Guernsey Law</i>

Treasury and Resources Department		
Rank	Billet and Article no.	Resolution Date
	<i>XXIV/09 (art. VII.14)</i>	<i>02.10.09</i>
		Summary
		<i>Income Tax: consolidation of 1975 Law (low priority)</i>

22. ANNEXE

New Service Developments

22.1 This table sets out the 2010 New Service Development proposals with updated amounts showing actual expected cost (expenditure) in 2011 for States information.

	2010 SSP Report - cost for 2011 in £'000s	Expected cost for 2011 in £'000s	Ongoing cost in £'000s
Development of Guernsey Mental Health and Wellbeing Strategy*	180	180	-
Community Service Scheme	150	150	150
Domestic Abuse Strategy	160	160	212
Children and Young People's Plan	502	505	505
Housing Control staff (+3 FTE permanent posts)	108	110	110
Criminal Justice Strategy co-ordinator	90	85	61
Assistant Employment Lawyer	90	67	90
Renewable Energy workstream	100	100	100
Guernsey Obesity Strategy (Phase 1)	147	127	147
Children (Gsy & Aldy) Law 2008 – 4 additional Social Workers	200	209	205
Improving Storage of Museum Objects	250	250	250
Legal Aid – Mental Health Review Tribunals*	300	300	300
Dedicated Wheelchair Service*	134	134	134
TOTAL	2,411	2,377	2,264

*These business cases had not yet been approved at the time of writing; therefore expected costs are included as per the original proposal

22.2 The remainder of this annexe sets out all the New Service Development proposals received during 2011 for funding in 2012 and beyond.

Table 1 sets out the four year cost estimates for those proposals which are being recommended by the Policy Council for provisional, 'amber light' approval. Proposals that receive States' support then proceed to the preparation of business cases.

Table 2 sets out the four year cost estimates for the proposals which the Policy Council is not recommending this year. It is open to States Departments and

Committees to resubmit any unsuccessful proposals next year if they wish to do so. They would then be considered alongside any other proposals which come forward in the interim.

- 22.3 In each table the proposals are listed in descending priority order as scored using the method of Multi-criteria Analysis described in this report (ie highest scoring at the top of each list). As previously explained, Multi-criteria Analysis is a tool to test the strength of a proposal that is used to assist the political decision-making process.
- 22.4 Broad cost estimates (see below), and not actual figures, are given because, in some cases, financial information is sensitive as it relates to projects that will go out to tender and it is not in the public interest to expose information about estimated budgets. An exception is made for the year 1 cost estimates for the New Service Developments recommended by the Policy Council for funding in 2012, as the figures for these are already set out in the main SSP report.

Cost estimates

Band	Estimated annual cost
A	£1m. plus
B	£500,000 to £999,999
C	£250,000 to £499,999
D	£100,000 to £249,999
E	£99,999 or under

TABLE 1: four-year cost estimates for bids/proposals recommended by the Policy Council for funding in 2012

Rank by score	New Service Development	Policy Area	Aggregated Score	Cost estimates (band)			
				Year 1 (forecast cost)	Year 2	Year 3	Year 4
1	Restorative Justice Service	Social	76%	£57,000	E	E	E
2	Implementation of Competition Law in Guernsey	Fiscal	75%	£200,000	D	D	D
3	Reviewing the funding and organisational options for Guernsey's health and social care services	Social	71%	£235,000	-	-	-
5	Provision of temporary additional resources for the Office of the Children's Convenor	n/a	70%	£98,000	D	D	E
6	Bowel Cancer Screening	Social	56%	£328,000	C	C	C
6	Funding for family and friends care arrangements	Social	56%	£206,000	C	C	C
8	Provide an adult learning disability short break (respite) service	Social	53%	£211,000	C	C	C
9	'Hansard' Report of meetings of the States of Deliberation	n/a	45%	£20,000	E	E	E
12	Revenue funding to support GTA University Centre	Fiscal	37%	£30,000	C	C	C

TABLE 2: four-year cost estimates for bids/proposals not recommended by the Policy Council for funding in 2012

Rank by score	New Service Development	Policy Area	Aggregated Score	Cost estimates (band)			
				Year 1	Year 2	Year 3	Year 4
3	Obesity Strategy - Phase 2	Social	71%	D	D	D	D
10	Transfer of Air Transport Licensing to Director General OUR	Fiscal	44%	E	E	E	E
11	Neurological Assessment, Rehabilitation and Stroke Service	Social	40%	C	C	C	C
13	Improvement in blood donor and blood transfusion services	Social	20%	D	D	D	D
14	Reciprocal Health Agreement with the UK	Social	16%	B	B	B	B

Glossary of Terms used in the SSP

22.5 To help standardise the use of policy terms across the public sector over time and so make policymaking more consistent and easier to understand, contributors to the SSP have been asked to conform to the definitions in this glossary.

- **Aim** - A broad statement of purpose. An aim is something to aspire to and is likely to be inspirational rather than readily achievable.
- **Objective** - A specific thing which it is intended to achieve to fulfil an Aim.

For the purposes of the SSP Objectives are split into 2 levels.

- **General Objective** - An objective that is likely to remain applicable with no more than minor modifications for many years.
- **Specific Objective** - An objective that is relevant to shorter term circumstances; has an end date or completion date of some kind and/or is more specific in scope than a general objective.
- **Policy** - A broad statement of intent that sets out principles and priorities to guide decision making and courses of action to fulfil Aims and Objectives.
- **Plan** - A written expression of intended co-ordinated action to implement Policy within a specific timeframe. It explains what needs to be done, when, how and by whom.
- **Strategy** - A long-term approach to planning and marshalling resources that, subject to future events and circumstances that cannot be foreseen, will implement Policy and fulfil Aims and Objectives.

NB: The term 'strategic' used as an adjective, however, may relate to the long-term pursuit of objectives as opposed to short-term tactical action.

- **Programme** - A temporary flexible organisation structure treated to co-ordinate the implementation of a set of projects and activities to deliver outcomes related to the achievement of Aims and Objectives. A programme is likely to have a life span of several years.
- **Project** - A temporary organisation to undertake a particular piece of work. It is likely that a project will be the subject of a business case.
- **Key Performance Indicator** - A measure to enable an assessment of how effectively government is performing against Aims and Objectives.

(NB The Treasury and Resources Department is very pleased to see the continuing development of the States Strategic Plan and acknowledges the considerable amount of cross departmental work that lies behind much of the content. The strengthening of the relationship between policy development and the resources required for its implementation is to be welcomed and its importance to the future stability of the States' finances, as well as underpinning the need for financial discipline, should not be underestimated.

The Department would again emphasise the importance of restraining expenditure and the need for all Departments to play their part in delivering this objective. In this respect, the financial forecasts shown in the SSP demonstrate that a combination of expenditure restraint, efficiency savings delivered through the FTP and the maintenance of a strong economy could enable the States to return to a balanced budget by the end of 2013.)

The States are asked to decide:-

Whether after consideration of the Report dated 22nd August 2011, of the Policy Council, they are of the opinion:-

A. **Fiscal & Economic Policy Plan**

1. To endorse the updated summary of the Fiscal & Economic Plan including the revisions to objectives as described in Section 13 (13.4 & 13.12).

B. **Social Policy Plan**

2. To endorse the updated summary of the Social Policy Plan including revisions to objectives as described in Section 14 (14.7 & 14.9).
3. To note that responsibility for the Drug and Alcohol and Domestic Abuse Strategies is being transferred from the Policy Council to the Home Department, along with appropriate budgetary provisions, and that existing Resolutions in relation to those Strategies should be construed accordingly.

C. **Environmental Policy Plan**

4. To endorse the updated summary of the Environmental Policy Plan including the revisions to objectives as described in Section 11 (Environmental Policy – General Objectives).

D. **Statement of States Aims and Objectives and States Corporate Policies**

5. To endorse the revised Statement of States Aims and Objectives as set out in the Plan Section 11.
6. To direct the Policy Council to take the Statement of Aims and Objectives (including Aims, General Objectives, and Specific Objectives) into account in making future recommendations to the States on the prioritisation of general revenue funding for service developments.
7. To confirm that the States Corporate policies continue to be valid for legal and regulatory purposes, as set out in the Plan Section 12.

E. **Island Resource Plans for Population Management; Energy; and Strategic Land Use**

8. To note the progress report on the development of a Population Management Plan as described in Section 17.
9. To note the progress report on the development of an Energy Plan as described in Section 18.
10. To note the progress report on the development of a new Strategic Land Use Plan as described in Section 19.

F. **Island Resource Plan for Infrastructure**

11. To note the progress report on the development of an Island Infrastructure Plan as described in Section 20.
12. To direct all States Departments to prepare asset registers and develop long-term plans (for at least 20 years ahead), for completion no later than June 2013, to identify the likely scale of future investment necessary to maintain satisfactory physical infrastructure to deliver their mandates.

13. To direct the Treasury & Resources Department to provide States Departments with the necessary templates and guidance to produce the asset registers and plans within the June 2013 deadline ensuring that there is a consistent approach across government.
14. To direct all States Departments to ensure that in future all infrastructure-related capital projects are presented for States consideration within the context of a 20 year programme for the relevant area of investment concerned and that both capital and revenue cost estimates are provided.

G. The FTP and the Funding of New Service Developments

15. To endorse the progress report on the FTP as provided in Section 4 (Paragraphs 4.40 to 4.57).
16. To note the forecast that £1.8m will have been accrued from efficiency savings through the Financial Transformation Programme (FTP) during 2011 and will be available to fund New Service Developments in 2012.
17. To approve, in principle, the list of New Service Developments for 2012 as set out below and to direct that comprehensive cases for funding shall be prepared before final approval is given to each new initiative:
 - A. Restorative Justice Service (£57,000)
 - B. Implementation of Competition Law in Guernsey (£200,000)
 - C. Review the funding and organisational options for Guernsey Health and Social Care Services (£235,000)
 - D. Provision of temporary additional resources for the Office of the Children's Convenor (OCC) (£98,000)
 - E. Bowel Cancer screening in Guernsey (£328,000)
 - F. Family and Friends Care arrangements (£206,000)
 - G. Provision of an adult learning disability short break (respite) service (£211,000)
 - H. Hansard service to report meetings of the States of Deliberation (£20,000)
 - I. Revenue funding to support Guernsey Training Agency (GTA) University Centre (£30,000)
18. To direct the Treasury and Resources Department to develop a policy for the future use of FTP savings and present it for States' consideration as part of the 2012 Budget Report.

H. **Integrated Government**

19. To note the continuing development of the SSP process and its rôle in supporting good governance; efficient delivery of public services and financial discipline and management as described in Section 4.
20. To direct the States Assembly and Constitution Committee with immediate effect, to revise all relevant mandates to replace all references to the superseded Government Business Plan with references to the States Strategic Plan.

I **Arrangements for 2012**

21. To note that the Policy Council will be re-publishing the Plan section of the SSP as it is approved by the States as a stand-alone document for distribution to the wider public.
22. To note the arrangements described in Section 6 for managing the SSP process during 2012 including the provision of an improved States Member induction programme led by the States Assembly and Constitution Committee.

J **Other Matters**

23. To note all other sections of the 2011-2016 SSP review not specifically referred to in recommendations 1 to 22 above.

APPENDIX 1
(to the Billet)

DEPARTMENTAL AND COMMITTEE BUSINESS PLAN SUMMARIES

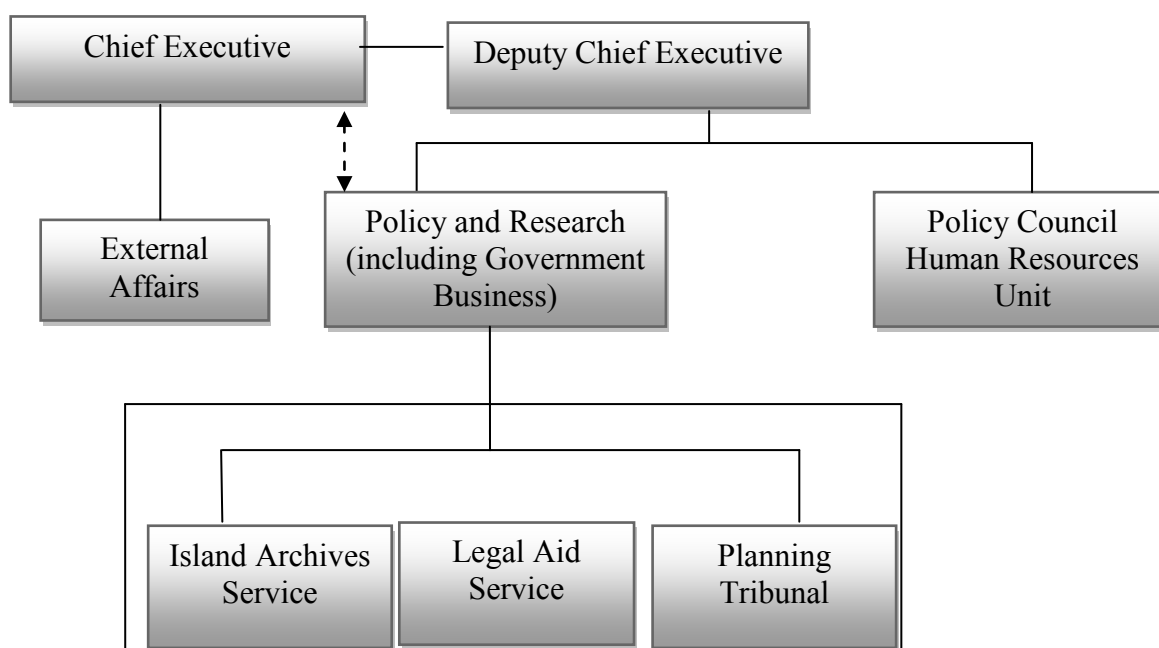
Policy Council

Summary of Mandate

The Policy Council advises the States on matters relating to:-

- The Island's constitutional position including its relationships with the UK, EU and other Crown Dependencies, international relations and matters relating to the Parishes and the other Bailiwick Islands;
- The formulation and implementation of economic, fiscal, human resource, environmental and social strategic and corporate policies to meet objectives agreed by the States;
- The coordination of the work of the States;
- Their role as employer of Established Staff.

This work is delivered through three sections which together comprise the Policy Council. Those sections are: External Affairs, Policy and Research and the Human Resources Unit.



The Policy Council's full operational plan will be available to view on gov.gg in the autumn. In the interim the reader is directed to the following links for further information on the States Strategic Plan, Policy & Research statistics and information on Guernsey's population:

www.gov.gg/strategic-plan

www.gov.gg/pru

www.gov.gg/population

2011 Business Plan Policies

The Policy Council's broad policies are set out below:

States Strategic Plan

Develop and enable the successful delivery of the States Strategic Plan which is the States tool to link together policymaking, resource planning and service delivery.

External Affairs

The long term objective is to develop and sustain Guernsey's evolving international identity in order to promote and protect Guernsey's economic and domestic interests. This includes building and maintaining effective strategic relationships:

- across the Bailiwick;
- with jurisdictions such as the other Crown Dependencies, the United Kingdom, and the devolved administrations;
- with the European Union's institutions and Member States;
- with other countries and jurisdictions around the world;
- with supranational bodies and international organisations; and
- with the media.

Strengthening Guernsey's international identity and protecting Guernsey's reputation also requires the ongoing effective implementation of internationally agreed sanctions and overseeing the extension of international conventions and obligations.

Policy and Research

- Undertake and advise on corporate and strategic research to assist evidence based decision making;
- Develop and enable the successful development and co-ordination of strategic corporate policy particularly in the areas described below:-

Fiscal and Economic Policy

- To develop, through the Fiscal and Economic Policy Group, fiscal and economic strategy;
- To manage the review of the corporate tax regime;
- To manage the annual publication of an independent assessment of the conduct of fiscal policy against the parameters of the fiscal framework;
- To direct, develop and manage the publication of official States economic, statistics, publications and forecasts and provide associated analysis.

Social Policy

- Develop, coordinate and monitor the Social Policy Plan through the Social Policy Group;
- Enable Guernsey to ratify the UN Convention on the Elimination of all forms of Discrimination Against Women (CEDAW);
- Carry out research to underpin childcare initiatives, disability strategy and civil partnerships.

Environmental Policy

- Coordinate the implementation, monitoring and review of the Environmental Plan through the Environmental Policy Group.

Energy Policy

- Coordinate the implementation and review of the Energy Policy through the Energy Policy Group;
- Coordinate the identification by all States Departments of the probable impacts of climate change within their mandates areas of responsibility.

Population Policy

- Oversee the development, implementation and monitoring of a new population management regime.

Strategic Land Use Plan

- To develop through the statutory body of the Strategic Land Planning Group a Strategic Land Use Plan to provide general guidance and specific directions to the Environment Department in preparing land use policies to guide future development;
- To ensure that adopted land planning policies enable corporate objectives of the States of Guernsey to be delivered.

Research initiatives

- Develop data analysis to better monitor the outcomes of the policies contained with the States Strategic Plan.

Human Resources Unit

- Implement revised HR functional structure as an output of the FTP;
- Implementation of the HR modules of SAP;
- Develop and implement a structured leadership development programme for Civil Servants to ensure that the organisation maximises the talent available;
- Alignment of HR policies across staff groups;
- Support change programmes.

All of these work streams are described in more detail throughout this Plan and via the website links set out earlier in the summary.

Fit with States Objectives and contribution to cross-department working

The Policy Council's policies are aligned with the overarching States objectives as listed below:-

Maintenance and enhancement of Guernsey's standing in the global community;
Wise long-term management of Island resources;
Sustainable economic growth and effective public services without increasing the population to the detriment of our environment and way of life;
Improved awareness of the culture and identity of Guernsey.

The Policy Council's Policy Sub Groups are all instrumental in ensuring their work is driven by the agreed States objectives. The Policy Council's sub groups include membership from across the departments to ensure a corporate and coordinated approach to policy delivery.

Efficiency

Responsibility for the Financial Transformation Programme rests with the Policy Council with accountability for operational delivery resting with the Transformation Executive which consists of the Chief Executive, Deputy Chief Executive, Chief Officer Treasury & Resources, Chief Accountant, the Head of Human Resources and Organisational Development and the Head of Policy & Research.

Commerce and Employment Department

Summary of Mandate

The principal role of the C&E Department is to advise the States on matters relating to the creation of a dynamic and diversified economy through the promotion and development of commerce and industry that is sustainable and operates in accordance with the strategic, economic, social and environmental policies of the States. The Department's full mandate and 2011 Business Plan is available at <http://www.gov.gg/ccm/navigation/commerce---employment/published-reports/>

2011 Business Plan Policies to Fulfil Mandate

In order to achieve the Department's mandate and contribute towards delivering the States' Strategic Objectives the C&E Board is committed to the following values:

- The C&E Board recognises that having a vibrant and diversified economy is key to Guernsey's success to ensure we have an excellent infrastructure and high quality welfare services for Guernsey's citizens;
- The C&E Board will adopt policies with respect to land, labour and legislation (including regulation) to create the right environment to encourage and give businesses the freedom to flourish;
- The C&E Board believes that Guernsey's USP for businesses is not simply financial but a combination of lifestyle, accessibility to London, time zone, excellent health and education provision, stable government and safe and secure society;
- Guernsey's economy is not sustainable from local demand and needs outward facing businesses generating inward income streams and that they should not be at a competitive disadvantage;
- The C&E Board recognises that Guernsey is a unique and special place and that it is important to encourage the development of local businesses to support the community and infrastructure of the island;
- The C&E Board is cognisant of the changing demands of the modern world and that we need to adapt to meet the Islands' wants but remain vigilant of the uniqueness and charms of Guernsey;
- The C&E Board believes that having a well trained local workforce is key to support the local economy; and
- The C&E Board recognises the value of communication and listening to its stakeholders and is committed to consultation both internal and external to government to ensure evidence based decisions are made.

Fit with States Objectives and contribution to cross-departmental working

Strategic Fit

The Commerce and Employment Business Plan for 2011 implements policies and work streams to contribute to the aims and objectives of the States Strategic Plan 2010 - 2015 (SSP) and the Environmental, Fiscal & Economic, Social and Resource Plans within it.

For Commerce and Employment the most relevant is the Fiscal and Economic Plan which comments: *“The Fiscal and Economic Plan (‘FEP’) is based on the view that sustainable economic growth is desirable and is to be pursued as a means of increasing the standard of living of Guernsey’s residents and providing tax revenues to fund ever increasing demands for public services, in particular education, health and law and order.”*

Underlying the FEP is the principle that the private sector is the engine of economic growth and that the public sector’s role is to provide the necessary competitive fiscal and macroeconomic environment to enable the private sector to flourish. The primary objective of fiscal policy is therefore to promote long term economic growth. The Department’s contribution to the States Fiscal and Economic Policy Objectives is illustrated in the table below (note this is not exhaustive and a full listing is provided in the Department’s Business Plan available at website).

Real term freeze on aggregate States revenue expenditure.	Implementation of efficiency savings across the Department including exploring the opportunity for interdepartmental and joint working / joint working with Jersey, where there is scope to reduce costs.
Continuing OECD Tier One Status.	Working with GFSC on appropriate legislation.
Average economic growth of 2% or more per annum.	Ensuring Guernsey remains competitive in the financial services sector and brings forward niche opportunities.
Stable and low inflation: RPIX 3.0%.	Developing competition legislation.
Continuing full employment & Skilled, flexible labour market.	Financial support to Guernsey Training Agency – University Centre. Working with SSD, ED and private sector to develop Guernsey’s Skills Strategy.
Diversified, broadly balanced economy.	Feasibility of Aircraft Register, developing IP and Image Rights legislation, Guernsey Film, Renewables.
Well regulated, competitive domestic markets.	Reviewing utility regulation regime in Guernsey and ensuring fit for purpose.
Modern key strategic infrastructure, with public	Input to Island Infrastructure Plan. Working with fuel companies to ensure adequacies of supplies to

capital investment averaging 3% of GDP.	the island.
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The Department is represented and plays a key role in all of Policy Council's Sub Groups. The Department is also working closely with the Education and Social Security Departments, the College of Further Education, the GTA and the private sector to develop Guernsey's Skills Strategy to increase the participation and development of Guernsey's workforce. The Department is assisting with the development of the Island's Infrastructure Plan as part of the States Strategic Plan.

Unit Activities

The Economic Development Unit will continue to promote and encourage the development of beneficial economic activities that can thrive in the island's business environment and to identify opportunities for enhancing that environment. Its key areas of activities include Communication & Connectivity, Competition & Regulation, Contingency Planning, Energy, Enterprise, Labour, Land and Working with Industry. The Unit will continue to develop working relationships with key stakeholder groups such as Institute of Directors, Chamber of Commerce, GIBA and CGI to develop a close partnership with industry to help address issues relevant to businesses on the Island. This will be achieved through regular meetings and engagement on key projects (eg Skills Strategy). The Unit will continue to pursue renewable energy initiatives and lead in the review of the renewable energy aspects of the States Energy Policy. This Unit will continue to seek to ensure that adequate and practical provision of land for commercial activities is made in the Guernsey Tomorrow/Review of the SLUP process.

The Department's Finance Sector Development Unit (FSDU) will continue to deliver policies and strategies to encourage sustainable economic growth whilst diversifying Guernsey's economic base. In 2011 the Department will increase its focus on developing new products and legislation to enhance the attractiveness of Guernsey to the sector. The FSDU will maintain and promote Guernsey's reputation as a leading financial centre by supporting Guernsey Finance and also working with industry and Policy Council through the Fiscal and Economic Policy Group to ensure that Guernsey remains an attractive place to do business. The Unit will bring forward appropriate amendments to the Companies (Guernsey) Law 2008 following the initial public consultation that took place in 2010 and the Unit will conclude the review of Guernsey's insolvency law. The FSDU will work with the newly established Brussels office to raise Guernsey's profile and ensure Guernsey's interests are taken into account in the development of EU legislation which may affect the Bailiwick's interests.

The Marketing & Tourism Unit will continue to actively market Guernsey as a tourist destination to both UK and European visitors, ensuring maximum value for money from available resources to meet the demands of a highly competitive market.

The Employment Relations Service will complete its work to review the employment relations legislative framework in Guernsey. This will be informed by consultations on the general question of employment rights and protection (including trade union matters on which there is no legislation) and the Island's Industrial Disputes Law.

The Department will consider the recommendations of the independent review of Guernsey's dairy industry, commissioned by the Policy Council, alongside any comment and direction arising from debate during 2011. The Department expects to report to the States later in the year with its recommendations.

The work to consolidate and where necessary extend statutory powers in the field of animal welfare will continue with the objective of introducing an Ordinance covering the protection and welfare of animals and the publication of a number of ancillary codes of practice in 2011.

The Department will be continuing to seek to obtain States approval for the construction of a new Island slaughterhouse facility, re-located from its current St Peter Port position to the Longue Hougue site adjacent to the cattle carcass incinerator. The objective is to have completed all detailed investigation and procurement activities during the first part of the year, with a view to an approach to the States in due course, followed by construction commencing in the autumn and completed by April 2012.

The Department will continue to work with the authorities in Alderney, Sark and the UK with a view to achieving the establishment of a durable system for the licensing of sea fishing in the waters of the Bailiwick out to 12 miles.

The Trading Standards (Enabling Provisions) Law has been with the Privy Council for some months and it is hoped that it will receive Royal Assent during 2011. Work is in hand to prepare suitable drafting instructions for new consumer protection legislation, which may require a States Report.

In addition to continuing support for the development of Guernsey Registry, the Department will support the drive forward in Guernsey's Intellectual Property environment so that businesses are able to exploit opportunities (legal services, patent and trademark agents, licensing bodies, trust and financial services) and contribute towards the dual objectives of diversifying the economic base and delivering economic growth. For the Registry as a whole, marketing on and off island will continue together with involvement in the relevant global registry initiatives. The Registry will continue to liaise with and support GuernseyFinance.

Efficiency

The Department is committed to achieving the targets set out in the Financial Transformation Programme and the Department's contribution is set out in 2011 below:

- The Department is actively monitoring its energy consumption and seeking opportunities for efficiencies. Energy efficiency savings continue to be implemented as part of the Department's Environmental Policy which was introduced in 2008. In 2011 the Department has introduced further energy efficiency savings through the virtualisation of servers, the introduction of motion detectors for lighting. In addition, the Department has carried out work to reduce the amount of water being consumed (e.g. automatic flush devices).

- The Department has embraced web based technologies to assist with conducting consultations making it easier for respondents and staff when analysing the responses reducing time required to analyse responses.
- The Department has allowed reduced hours working which has meant some staff reducing the hours they work per week (i.e. part-time roles) or allowing partial retirement. This has included staff within the Administration and Resources, Client Services and Economic Development Directorates.
- The Financial Transformation Programme will during the second half of 2011 be commencing a review of value for money of the Department's expenditure on Air Route Concessions.
- The Department has, to date, generated substantial additional revenue for the States through the Financial Transformation Programme.

Culture and Leisure Department

Summary of Department Mandate

The department is structured into four main sections with further links to its partner organisations:



Note: The dotted line boxes are those organisations that receive grants from the Culture and Leisure Department and deliver services to the community on its behalf.

As well as being an economic sector in its own right many people take part in cultural activities simply to relax, enjoy themselves, learn new things or just to meet other people. They are also a useful tool for improving health, self-worth and self-confidence and can act as a preventative measure against crime, social exclusion and promotes economic and personal development.

The most widely recognised definition in current usage defines culture as having “both a material and a value dimension and includes a wide range of activities including arts, media, sports, parks, museums, libraries, the built heritage, the countryside, playgrounds and tourism.” The Culture and Leisure Department use this definition to define their Cultural Strategy.

2011 Business Plan Policies to fulfil our mandate

Through its own actions and its partnership with other key providers, the Department hopes that the Cultural Strategy will play its part in improving the quality of life in Guernsey.

The Cultural Strategy looks to achieve the following aims:

- **Guardian of Guernsey’s cultural heritage**
- **An active, stronger society**
- **Guernsey as a unique cultural venue**
- **A wider range of opportunities for all**

Guardian of Guernsey’s cultural heritage

To ensure that the island community leaves a strong legacy to future generations its culture must be protected. This ranges from the care of historic sites and museum collections to preserving its language and those unique parts of everyday life that make Guernsey so special. Every opportunity should be taken to promote interest and pride in the history and culture of Guernsey. However, the cultural identity of Guernsey is forever moving on; change is a fact of life, and should be embraced as an opportunity for expansion and development. The challenge is to ensure that change is balanced with the continued care and respect for cultural identity and historic environment.

An active, stronger society

The facilities and activities that improve the quality of life are varied, and include those that stimulate the mind as well as the body. There is an obvious link between healthy living, exercise, sport and quality of life but this is only one part of the jigsaw. An interest in the arts, heritage, reading, live music or simply socialising with friends often has just as big an impact on wellbeing as physical condition. An active society that is engaged in positive activities and interests with true community spirit and resolve builds a stronger and safer society.

Guernsey as a unique cultural venue

The economic performance of Guernsey as an Island has an effect on all who live and work here. The constant positive promotion of Guernsey to the outside world as a

successful and high quality venue for sport, the arts and heritage is an important contributor to the future success of the Island, in terms of attracting future investment, tourism and employment opportunities. The success of islanders on the world's stages and in its sporting arenas reinforces that message.

A wider range of opportunities for all

Diverse formal and informal cultural opportunities should be available for all. These should be as accessible and inclusive as possible, irrespective of age, gender, financial situation or mobility. As well as working with other departments in providing facilities and activities and in being a source of information, the department also supports the work of the Museum Service, the Guernsey Sports and Arts Commissions and has developed and sustained a wide range of community events including Liberation Day and those under Floral, Sport, Arts, Good Food and Nautical Guernsey banners.

Investment in Culture

The Department will continue to ensure that public money is only invested where there is:

- A clear understanding of its use or purpose
- Strong sustainable partnerships with providers who deliver
- Wide access and inclusivity
- Creativity
- Open monitoring and review

Many of the aims, objectives and actions within the Cultural Strategy will be achieved from within existing resources. However, some will be reliant on partnerships and additional resources from sources other than the States of Guernsey.

Fit with States Objectives and contribution to cross-departmental working

Within the States Strategic Plan, the headline statement that directs the work of the Culture and Leisure Department and the formulation of its Cultural Strategy ensuring a joined up approach for government is:

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

The Cultural Strategy looks to inform the people of Guernsey of the priorities and use of resources by the Culture and Leisure Department in pursuit of its aims and objectives in line with the direction given by the States Strategic Plan. The States Strategic Plan highlights the importance of the independent nature of Guernsey through its cultural heritage, how and why we are different and how we celebrate it. Get it right and, in a global economy where bland uniformity is now the norm, Guernsey can be seen by those it wishes to do business with, by those it wishes to attract to the island, by those it wishes to defend itself against, to be recognised as different and somewhere that must be engaged with as an independent community.

The Department contributes to the following States Objectives:

- Maintenance and enhancement of Guernsey's standing in the global community
- Wise long-term management of Island resources
- Co-ordinated and cost-effective delivery of public services
- Improved awareness of the culture and identity of Guernsey
- Real term freeze on aggregate States revenue expenditure
- Skilled, flexible labour market
- Diversified, broadly balanced economy
- Foster an inclusive and caring society which supports communities, families and individuals
- Promote active and engaged citizenship
- Maintain a healthy society and safeguard vulnerable people
- Maintain the Bailiwick as a safe and secure place to live
- Reduce our carbon footprint and adapt to climate change
- Protect our biodiversity and countryside
- Conserve energy and switch to cleaner fuels
- To promote sustainable practices.

The Department contributes to cross-departmental working in the following areas:

- Social Policy
 - Provision of Community Recreation Facilities
- Children and Young People's Plan
 - Enhancement of play facilities and activities for all children
 - Extension of the range of out of school arts activities in order to engage more children and young people
 - Engaging socially excluded young people in opportunities to enjoy the arts
 - Extending the range of sporting activities out of school, in order to engage more children and young people
 - Engaging socially excluded young people in opportunities to enjoy sports
 - Promoting the programme of Museum, Education, outreach and activities aimed at children, young people and families
- Emergency Planning - (Designated Emergency Rest Centres)
- Visit Guernsey

- Management of Guernsey Information Centre for Visit Guernsey
- Promotion of Events
- HSSD
 - Obesity Strategy
 - Healthy Lifestyle Centre
 - GP Referral Programme
 - Lifefit Programme
 - Healthy Hearts Day
- Education
 - Dual use of school facilities
 - Delivery of swimming lessons for Primary Schools.

Efficiency

The Culture and Leisure Department regularly monitors and reviews its performance varying from simple qualitative and quantitative analysis to more rigorous inspection and accreditation by outside independent bodies. It also consults regularly with the users of its services and facilities in order to improve what it offers. In order to ensure that high standards of services and facilities are properly maintained, the Department regularly has its performance and accreditation reviewed by a number of independent quality assurance schemes. These currently include:

QUEST - a sports facilities/services accreditation that assesses Beau Sejour Leisure Centre. The Centre maintained its 'Highly Commended' grading in April 2009. It will be re-assessed during 2011.

MLA (Museums and Libraries Association) - the Guernsey Museum & Art Gallery currently has Registered Status with the MLA.

VAQAS (Visitor Attraction Quality Assurance Scheme) - an accreditation which measures the experience that a visitor would have in terms of service, facilities and the general quality of the visit. Guernsey Museum, Castle Cornet and Fort Grey are all currently VAQAS accredited.

The Culture and Leisure Department adheres to a continuous improvement programme, and continues to consult with stakeholders and individuals to ensure that its Cultural Strategy continues to meet the needs of the local community. In common with all States Departments it has a clear financial plan to achieve budget which is reviewed monthly and corrective action taken if required. Priorities for use of that budget are set by the Board as part of the review of the Cultural Strategy each year. A range of Key Performance Indicators have been developed and are being continually improved upon.

One of the early projects agreed for the Financial Transformation Programme was to look at the operation of Beau Sejour Centre. A number of savings were identified and implemented and work continues on alternative management options.

The Department has taken an innovative approach to funding for Sport and the Arts by creating Commissions which are successful in attracting private sector funding in order to assist their development. Guernsey consistently punches above its weight in these areas and has much to be rightly proud of.

Education Department

Summary of Mandate

Information about the Education Department, its full mandate, range of services and links to other agencies can be found on the website www.education.gg.

The Education Department provides a range of statutory and non-statutory education, training and support services:

- Statutory education provision is from age 5 to 16.

The Department is responsible for

- approximately 9,000 pupils in two infant, one junior, 11 primary schools; an all age school in Alderney, three high schools, the Grammar School & Sixth Form Centre and the College of Further Education, two special needs schools, a Centre for pupils with Social, Emotional and Behavioural difficulties and grant aids three Colleges
- provides assistance for students for courses not directly provided by the Department
- a range of support services for children and young people (including Youth Service, Special Needs Support Services, Nurture Groups, Careers Service, Music Service, Schools Library Service etc).

Aim of the Education Department

The responsibility of the Education Department is:

“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.”

Implicit in the political context of achieving best value is the Education Department’s aim to help build a **competitive economy** and **inclusive society** by:

- **creating opportunities** for everyone to develop their learning
- **releasing potential** in people to make the most of themselves
- **achieving excellence** in standards of education and skills.

Education has a wide-ranging contribution to make to the well-being of the Island’s community.

The Department will work with others to support the provision of Lifelong Learning facilities which give people the ongoing opportunity to improve and update their education and skills. The Education Department will work co-operatively with other States Departments and agencies to ensure that all children and young people of

Guernsey and Alderney have the best possible start in life and are: **Healthy and Nurtured, Safe, Achieving and Active, Respected and Responsible, Included.**

Objectives of the Education Department

In order to achieve its aim, the Education Department has identified three overarching **general objectives**. They are to:

1. give children an excellent start in education so that they have a better foundation for future learning
2. enable all pupils to develop and equip themselves with the skills, knowledge and personal qualities needed for life and work
3. encourage and enable young people and adults to learn, improve their skills and enrich their lives.

There are five **specific strategic objectives** that underpin the work of the Education Department:

1. Early intervention to support children and families to lay the foundations for later success – not just in education, but also in supporting the welfare and well-being of the whole child, through effective interagency working.
2. A continuing drive to ensure that every child leaves primary school with the basics in reading, writing, maths and ICT, and an enjoyment of learning, built through a broad, balanced, engaging, creative and relevant curriculum.
3. Developing secondary and further education which widens choice, stretches and engages the individual and prepares young people for adulthood.
4. A commitment to working towards wider participation in all aspects of learning and training.
5. Ensuring that the individual has the opportunity to commit to lifelong learning, which meets both the needs of the individual and the Community.

Department Business Plan Priorities

The Education Board has prioritised its objectives to 2012. Members have resolved to submit States Reports to the Assembly before the elections in 2012 on

- Higher Education Funding
- The introduction of Pre-School (Nursery) Education.

In addition to these key objectives, the Department will continue to strive to achieve excellent services efficiently delivered. Within its existing resources, the Department intends to work to continue to:

- Raise standards of education and skills
- Maximise learning opportunities for all

- Increase participation in lifelong learning
- Produce a revised Education (Guernsey) Law
- Plan for Programmes 1, 2 and 3 of the Education Development Plan (EDP). The policy objectives of the programmes are as follows:
 - EDP1 – to provide equality of opportunity within the secondary, Post-16 and special needs education sectors. Outstanding projects include the completion of the redevelopment of Les Beaucamps High School, La Mare de Carteret High School and Primary School and the development of a new College of Further Education on a single site.
 - EDP2 - to rationalise, renovate and improve the facilities in the rest of the Education estate including the primary schools, Grammar School and Department office.
 - EDP3 - to achieve a sustainable system for the development, funding and accountability of non-States schools including the Colleges and voluntary schools.
- Develop the use of ICT, to extend and improve learning
- Work with the staff side in developing workforce reform and the efficient and effective deployment of human resources
- Plan for the introduction of pre-school provision in partnership
- Review and plan strategies for the ongoing future affordability of higher education
- Develop an all-age careers guidance service working in partnership with employers
- Develop a coordinated approach to the provision of community resources within the Education estate
- Develop a planned preventative maintenance system for the Education built environment
- Endeavour to monitor and reduce the consumption of utilities across its estate.

Fit with States Objectives and contribution to cross-departmental working

The Education Department's Business Plan Priorities will help it deliver its mandate cost effectively and for future fitness for purpose. They contribute towards the following States Corporate Objectives, Fiscal and Economic Objectives, Social Policy Objectives and Environmental Policy Objectives, particularly:

- Maintenance and enhancement of Guernsey's standing in the global community
- Continuing full employment
- Skilled, flexible labour market

- Foster an inclusive and caring society which supports communities, families and individuals
- Assist people to help themselves and become independent where possible, by encouraging personal responsibility
- Promote active and engaged citizenship
- Promote, and remove barriers to, equality, social inclusion and social justice
- Maintain a healthy society and safeguard vulnerable people
- Promote equality of educational opportunity
- Encourage all who need, or are able, to work to find employment
- Reduce our carbon footprint and adapt to climate change
- Conserve energy and switch to cleaner fuels.

Cross departmental working takes place with Social Security, Health & Social Services, Culture & Leisure, Public Services, Environment, Commerce & Employment and Home.

The Department is actively involved in working with others on many social policy initiatives including the Obesity Strategy, Drug & Alcohol Strategy, Domestic Abuse Strategy, Tobacco Strategy etc. Department staff are represented on many liaison groups working in partnership with colleagues from Health & Social Services and the Social Security Department among others. The Department is also actively involved in the development of a Skills Strategy for the Island, reviewing the provision of school transport facilities and the coordination of its policies for Human Resources, ICT, Estates Management and Finance with the relevant central departments and committees.

The new Children Law places an emphasis on States Departments working together with parents, families and other agencies to ensure that high standards of child welfare are maintained. The Law requires the establishment of a multi-agency Children and Young People's Plan. The Education Department works with other States Departments and agencies as a member of the Children and Young People Planning Group to plan for the provision of services to promote and safeguard the welfare of the children of Guernsey and Alderney.

The Education Department is committed to working within the six principles of Good Governance as adopted by the States of Guernsey.

Efficiency

The Education Department is committed to ensuring the Islands receive value for money from the investment in education through careful financial management.

- The Education Department's spending has been within budget for the last 20 years.

- Standards remain high and demand in certain areas such as Post 16 and special needs education has increased.
- The proportion of the total States expenditure on education has decreased slowly over time from around 28% in the 1970s to approximately 20% today.
- The Education Board is aiming to achieve sustainable and stable use of public money to meet the Department's needs and what the public expects of an education service. It will endeavour to reduce costs while maintaining the quality of service delivery.

The Education Department has three separate budget elements – the General Budget, Grants to Colleges and Libraries, and the Higher Education Budget. No movement of funds between the three budgets is permissible.

- The Education Board's budget target in 2010 was to restrain overall expenditure to a no real terms increase or less. This was achieved. While the cash sums involved increased year to year, the increases were below both measures of inflation (RPI and RPIX) and therefore represent a reduction in real terms expenditure. The Department underspent its total authorised budget for 2010 by £2,583,000 or 3.4%.
- The Department is continually reviewing its services and delivery to ensure that all remain fit for both current and future purpose and represent value for money. Current and forthcoming self-generated reviews include: energy usage/conservation, school catering provision, transport, special needs provision, the College of Further Education, other education services and staff deployment. Staffing costs represent 80% of the Department's general budget and around 90% of school budgets. All vacancies are reviewed as they arise and consideration given as to whether the post is still required or whether the service can be delivered in a different and more efficient way.
- The Department is supportive of the Financial Transformation Programme and its efforts to realise very real savings across the States. The Department's staff are involved to a greater or lesser degree in a small number of specific education related opportunities (ED_23 & ED_09 College Funding) and numerous cross departmental workstreams; Finance; Value for Money; Property and Asset Management; IT; Procurement and HR.

Environment Department

Summary of Department Mandate

The Department's mandate includes:

To advise the States on matters relating to:

Environmental policy including transport, energy and waste policy and policy for the conservation, enhancement and sustainable development of the natural and physical environment of the Island in accordance with the strategic economic, fiscal, environmental and social policies of the States;

Policy on environmental monitoring;

and be responsible for: -

- (i) The protection of the physical environment from activities that might otherwise compromise the well being of the community;
- (ii) The conservation and enhancement of the natural and semi-natural environment;
- (iii) Spatial/land use policy to enable the sustainable management of transport, energy resources, waste disposal and natural resources in accordance with the strategic policies of the States;
- (iv) Transport policy to enable the safe and efficient movement of people and goods around the Island including traffic management, road safety and the regulation of public transport;
- (v) The management of the natural and semi-natural environment of States owned land including sites of nature conservation importance, cliff paths, beaches, headlands, Lihou island and other public areas and parks, gardens and plantations;
- (vi) The promotion and coordination of environmental issues and initiatives;
- (vii) The provision of an integrated land use planning system including the processing of all development applications of all kinds (planning, building control, protected buildings and scheduled sites);
- (viii) Vehicle registration and vehicle and driver licensing.

2011 Business Plan Policies

The Department's broad policies (statements of intent) are set out within the core functions of the Department's Operational Plan and cover the key areas of service delivered by the Department they are stated as:

Environmental Protection

To develop policy and implement environmental initiatives derived from the States Environmental Plan and the States Energy Plan. Working, in particular, in the areas of:

Climate Change Mitigation and Adaptation, Energy Efficiency Advice, Biodiversity and Sustainable Resource Use including monitoring and reviewing global and local developments and advising on, facilitating and promoting resulting policies and initiatives.

Traffic and Transport Services

To develop and implement safe and sustainable traffic strategies and in particular to reduce the adverse environmental, economic and social impacts of vehicle use in the Island, in particular, by:

- a.) encouraging the use of alternative forms of transport including meeting the needs of vulnerable road users;
- b.) discouraging unnecessary motor vehicle usage;
- c.) promoting more responsible use of vehicles; and,
- d.) promoting more efficient use of the Island's transport infrastructure.

Planning and Development

To protect and enhance, and to facilitate the sustainable development of, the physical environment of Guernsey by:

- a.) protecting and enhancing the natural beauty and amenity of Guernsey's coasts, cliffs, countryside and other open spaces;
- b.) protecting and enhancing Guernsey's heritage of buildings, monuments and sites of historic, architectural or archaeological importance;
- c.) achieving quality in design and implementation of development so as to respect Guernsey's historic, architectural and archaeological heritage and to make positive contribution to the built environment;
- d.) maintaining a balance between competing demands for economic growth and social development with consideration for environmental integrity;
- e.) ensuring that development is carried out in a sustainable manner and in such a way as to achieve a safe and healthy living and working environment.

Environmental Services

To manage effectively the natural assets under the Department's administration in accordance with recognised best practice, adopting the wise use principle and promoting the sustainable enjoyment of those assets by the people of and visitors to Guernsey. To promote and manage environmental initiatives adopted by the Board including public information and engagement.

Client Services

To provide a customer focused service that is: easily accessible, fair and consistent, effective, transparent, inclusive and consultative by ensuring good governance, prioritising resources, managing risk and acting with probity.

Fit with States Objectives and contribution to cross-departmental working

The wide remit of the Environment Department and the long reach of planning and traffic administration are such that the work of the Department touches on virtually all of the States Objectives. For example “*maintenance of Guernsey’s standing in the global community*” is not solely about regulation of financial activities. It includes contribution and commitment to international obligations such as transboundary air pollution or the international conventions on the protection of certain species. Many of the States Objectives provide a more obvious direct link to the Department’s mandate and policies.

The Department’s policy on **Environmental Protection** fits directly with States Objectives:

- Protect our biodiversity and countryside
- Conserve energy
- Promote sustainable practices
- Reduce our carbon footprint
- Wise long-term management of Island resources.

The Department’s policy on **Traffic and Transport Services** fits directly with States Objectives:

- Maintain the Bailiwick as a safe and secure place to live [*road and traffic safety*]
- Reduce our Carbon footprint
- Sustainable economic growth [*movement of goods and services*]
- Modern key strategic infrastructure
- Promote and remove barriers to, equality, social inclusion and social justice [*freedom of movement, access to transport*]
- Maintain a healthy society and safeguard vulnerable people [*vulnerable road users*]
- Conserve energy.

The Department’s policy on **Planning and Development** fits directly with States Objectives:

- Protect our biodiversity and countryside
- Conserve energy

- Maintain a Bailiwick that is safe and secure to live [building standards and safe and secure environments through design]
- Improve housing availability, quality and affordability
- Modern key infrastructure
- Improved awareness of the culture and identity of Guernsey [planning guidance, scheduled buildings, conservation areas]
- Wise long term management of the Island resources [land planning]
- Promote active and engaged citizenship.

The Department's policy on **Environmental Services** fits directly with States Objectives:

- Protect our biodiversity and countryside
- Improved awareness of the culture of Guernsey
- Promote sustainable practices
- Conserve energy and switch to cleaner fuels [*Keep Guernsey Green Programme*]

The Department's policy on **Client Services** fits directly with States Objectives:

- Co-ordinated cost effective delivery of public services.

Efficiency

The Department has fully reviewed the process of delivering its planning function as part of the introduction of the new law. The new law introduced additional resource burdens in several areas not least of which are the requirements for site notices, immunity certificates, published registers, fees collection, representation at appeals and Environmental Impact Assessments. At the same time the Department has sought to increase its outreach and public engagement and to open up planning meetings to the public. Much more information is available on line and new spatial mapping and search facilities have been provided. All this has been achieved with minimal additional resources. Procedures have been changed, processes adapted and IT solutions adopted in order to find the efficiencies to deliver these additional services. Of the new planning fees captured, only approximately one third is retained by the Department the remainder (circa £600,000) is returned to General Revenue.

The Department is now adopting the same approach within its traffic services. The introduction of the new additional ID check requirement for driver licences has, naturally, discouraged the use of postal applications and has resulted in a significantly greater number of callers to the office. A reorganisation of the front office created the space and efficiencies necessary to deliver this ID checking and also provided a more welcoming environment. The reorganisation also freed up additional space and at present work is being carried out to bring the theory test element of the driving test in house by adopting a new IT platform and using the release space. This will reduce facility rental costs as well as software licence costs to the Department and will also

enable the Department to introduce the hazard perception element, a voice over element (for those with difficulty reading the English) and online booking and payment. These additional services will be introduced without necessitating a request for additional resources as a result of the efficiencies being realised. The online booking system will, in the future, be developed into a wider online and self service area thus freeing up staff time and driving down costs. The Department is seeking to deliver these changes within its own resources wherever possible but will make the business cases for spend to save as necessary.

The Department is also examining a revised IT support tool for planning and mapping road works and diversions. This tool, if the business case can be made, would digitally record, on map layers, the use and positioning of signs used in diversions. These maps, along with changes resulting from lessons learnt would then provide the knowledge base and starting point for future diversions along those same stretches of road. Ultimately this system could be linked to stock control of signage hence resulting in better management of the asset, reduced manpower resource and hence efficiencies. Many other projects are under consideration within the traffic services unit all aimed at increasing efficiency and enabling the Department to provide a better service to its clients.

Under the Fundamental Spending Review programme the Department has projects running in all three services areas. These include a review of the bus contract, a review of the provision of services to the Parks and Gardens and a review of administration and work flow procedures within the planning section. All three reviews are aimed at reducing costs. The Department is also delivering in respect of energy efficiency and reduced utility costs.

Health and Social Services Department

Summary of Department Mandate

The Health and Social Services Department (HSSD) was constituted with effect from 1 May 2004 by Resolution of the States of 31 October 2003 and 12 March 2008 in main replacing the functions of the former Board of Health and Children Board, and taking on St Julian's Hostel from the Public Assistance Authority.

The current mandate for HSSD includes:

- To advise the States on matters relating to the mental, physical and social well being of the people of Guernsey and Alderney
- To contribute to the achievement of strategic and corporate objectives, both Departmentally and as part of the wider States organization
- To exercise the powers and duties conferred on it by extant States Resolutions
- To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to the Department

HSSD delivers a broad range of services as summarised below:

- Hospital based services
- Community based services
- Mental health
- Disability (including learning disabilities)
- Public Health
- Health protection
- Health improvement, including promotion
- Social care (including respite services)
- Environmental health
- Youth justice
- Child protection
- Fostering and adoption
- Prison health care

(See also www.gov.gg)

Business Plan Policies to fulfil mandate

There are 3 main elements that the HSSD needs to do to fulfil its mandate:

- Promote healthy lifestyle choices and social wellbeing
- Improve services, continuously striving for safety, quality, efficiency and effectiveness
- Protect and support the community

The policies being adopted in order to achieve the above are set out in the States Report 'Future 2020 Vision of the Health and Social Services System' (Billet d'Etat VIII 2011); namely-

Promote healthy lifestyle choices and social wellbeing

2011 – Reduce obesity, develop a strategy for mental health services

2012 – Reduce the use of tobacco products, mental and physical health promotion, the skills strategy, a health protection strategy

2013 – Reduce obesity (phase 2)

2014 – Reduce the misuse of drugs and alcohol, developing a healthy workplace

2015 – Continue projects already started

Improve services, continuously striving for safety, quality, efficiency and effectiveness

2011 – Develop a strategy for cancer, develop the wheelchair service

2012 – Strategy for Primary Care services, strategy for cardiovascular and respiratory disease, joint working with Jersey, explore funding and organisational options for the future, agreeing the range of services delivered to Alderney, establishing a clear and transparent prioritisation process for service investment

2013 – Develop stroke services, develop quality standards and a regulatory framework for health and social care services across the public, private and not for profit sectors

2014 – Support the development of the strategy for those with disabilities, progress the integrated approach to the Financial Transformation Programme, realise the benefits from the EHSCR implementation

2015 – Rationalise, upgrade and invest in the HSSD estate, including completion of the replacement of the Castel Hospital

Protect and support the community

2011 – Develop a vulnerable adult's policy, work on the Children and Young People plan and strategies for end of life care and criminal justice

2012 – Support those in prison and on probation, supported employment scheme, emergency planning, planning for potential future pandemics, establish a clear and accountable governance framework and structure, implement new mental health legislation

2013 – Develop a community social care strategy, intermediate care strategy, assistive technology strategy, reduce sickness levels at work

2014 – Develop supported living and extra care housing, support people in the community, support reduction in domestic abuse

2015 – Continue projects already started

In addition to the above, the HSSD has also identified key enabling plans and key client strategies in order to fulfil its mandate.

Key Enabling Plans

2011 – Develop the governance structure, communication and engagement plans

2012 – Revise the 2020 framework following consultation, develop a business information plan, long term financial plan, long term workforce plan and knowledge, research and learning plan

2013 – Develop the infrastructure plan

Key Client Strategies

2011 – Services for older people including States report

2012 – Services for working age adults, carers strategy, support staff and work with the third sector (charities and non-government organisations etc.)

2013 – Children and young people, disabled people, work with the independent business sector

Fit with States Objectives and contribution to cross-departmental working

The States Strategic Plan (SSP) (Billet d’Etat XIX, 2010) is the overarching plan for the whole of the States, to which the HSSD’s plans must align. It is fundamental to the 2020 Vision strategic framework for the future of the health and social services system, that all States Departments work together towards common goals of providing a sustainable system for the Bailiwick of Guernsey. The States Report (Billet d’Etat VIII, 2011, Vol 1) has, therefore, called for all States departments to contribute, where relevant, to each area of the plan and recommends that the HSSD establish a suitable governance framework with which States Departments can engage.

The HSSD has so far received a high level of support from other Departments on the principles outlined in the 2020 Vision States Report. The intention is for the HSSD’s objectives to align with both the overall States objectives and the appropriate policy sub group objectives. The HSSD will continue to work closely with other Departments to

achieve the social policy objectives and appropriate environmental policy objectives. In addition, as the largest general revenue States Department, HSSD has responsibilities to work within the fiscal and economic objectives.

A brief summary is given below of collaborative work in 2011:

- Work with Social Security Department on the Specialist Health Insurance Scheme contracts
- Work with Policy Council and Social Security Department on the Disability Strategy
- Work with the Home Department on the Criminal Justice Strategy
- Work with Policy Council and Treasury and Resources Department on the Financial Transformation Programme
- Work with the Housing Department on the Older People Care and Support Strategy.

More detail on collaborative work is provided in Section 3 of the 2020 Vision States Report (see above).

Efficiency

The HSSD's primary focus has been to continue to deliver high quality care to the Bailiwick population, without reducing services, by increasing productivity and efficiency to deliver cost reductions. Proposals for new service developments are critically appraised, in terms of health benefit to the islands and also financial implications, to ensure that a sustainable benefit is derived that is affordable within existing resources, wherever possible.

The HSSD has embarked on a broad range of initiatives to ensure its services are as efficient as possible:

- Examination of how services are delivered and, in particular, matching resources more closely to activity. Consequently, nursing and theatre teams have been restructured, as have the community nursing teams. On general acute wards the increase in productivity is estimated at c. 15%.
- Increased procurement capability and improved management of our supply base, both in terms of numbers of suppliers and also rates and quality of service, covering both revenue and capital expenditure. The target is to achieve c. £700k savings through a series of initiatives which will mitigate the inflationary impact of cost increases.
- Prioritisation of capital expenditure to ensure that a proportion is allocated to projects to reduce future revenue costs by increasing efficiency, lowering running costs or enabling service delivery to be reconfigured.

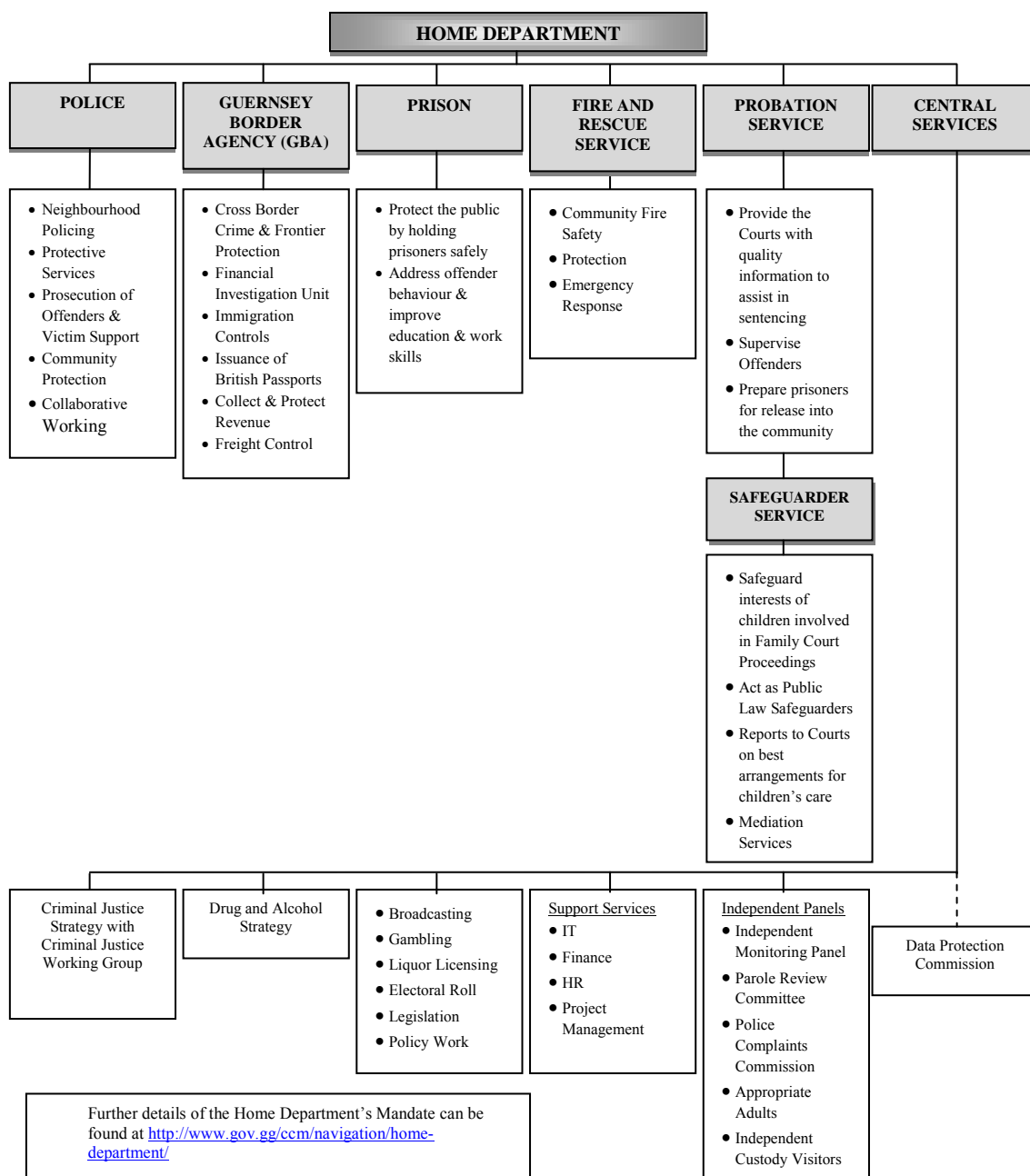
- Continued improvement of financial and general business reporting capability and processes. This contributes to informed business decision making at all levels of the organisation and increases awareness of costs of delivery.
- Improved ability to respond to service user needs and care through continued investment and roll out of EHSCR and general systems improvements. At the same time this enables process improvement thus facilitating further cost reductions.
- Continuance of work to improve value for money from off island expenditure. Examination of what services could be provided on island, service developments that could reduce off island expenditure and negotiation with providers to ensure best value for money is always obtained.

Home Department

Summary of Home Department Mandate

“The Home Department aims to use all available resources to build and protect a safe, just and tolerant society for all people of the Bailiwick.”

The Department delivers its mandate through seven business units as shown below:



Business Plan Policies for 2011

In delivering its mandate the Home Department intends to adopt the following policies from 2011:

- **Criminal Justice Strategy**
 - By working with other criminal justice stakeholders including the Law Officers, the Judiciary and non-governmental organisations to deliver a strategy which will provide cohesive, cost effective and appropriate criminal justice services for the Bailiwick.

Target date for States Report: End 2011

- **Community Safety and Crime Reduction**
 - By placing a greater emphasis on prevention, pre-offending, rehabilitation and victim centred services, for example pre-offending behaviour, offender rehabilitation and taking a restorative approach.

Target date for implementation: From 2011

- **Law Enforcement Good Governance**
 - Introduction of a non-political Law Enforcement Commission for oversight of Law Enforcement Services (Police and GBA) ensuring that the Chief Officers of these services are held to account for effectiveness and efficient delivery in accordance with strategic direction from the States through the Home Department.

Target date for Implementation: 2012

- **Legislation**
 - To ensure that legislation placed before the States in relation to Home Department responsibilities is appropriate and that legislation is prioritised on the basis of importance and benefit to the Island and the Bailiwick. This will be guided by the recently introduced legislation prioritisation process.

This includes the following priorities for 2011:

- 1. Introduction of Police Complaints Commission**
- 2. Law Enforcement Commission Law**
- 3. New Police Force and Guernsey Border Agency Laws**
- 4. Sex Offender Legislation**
- 5. Civil Contingency Law**
- 6. Development of e-crimes Laws**
- 7. Revision of Gambling and Broadcasting Legislation**

- **Estates Strategy**

- Rationalisation of the Departments accommodation occupied by its services in order to achieve a substantial reduction in rental paid to private landlords and produce efficiency savings. The successful outcome of this policy will be reliant upon commitment from other States Departments in particular Treasury and Resources.

Target date to start the rationalisation process is the end of 2011

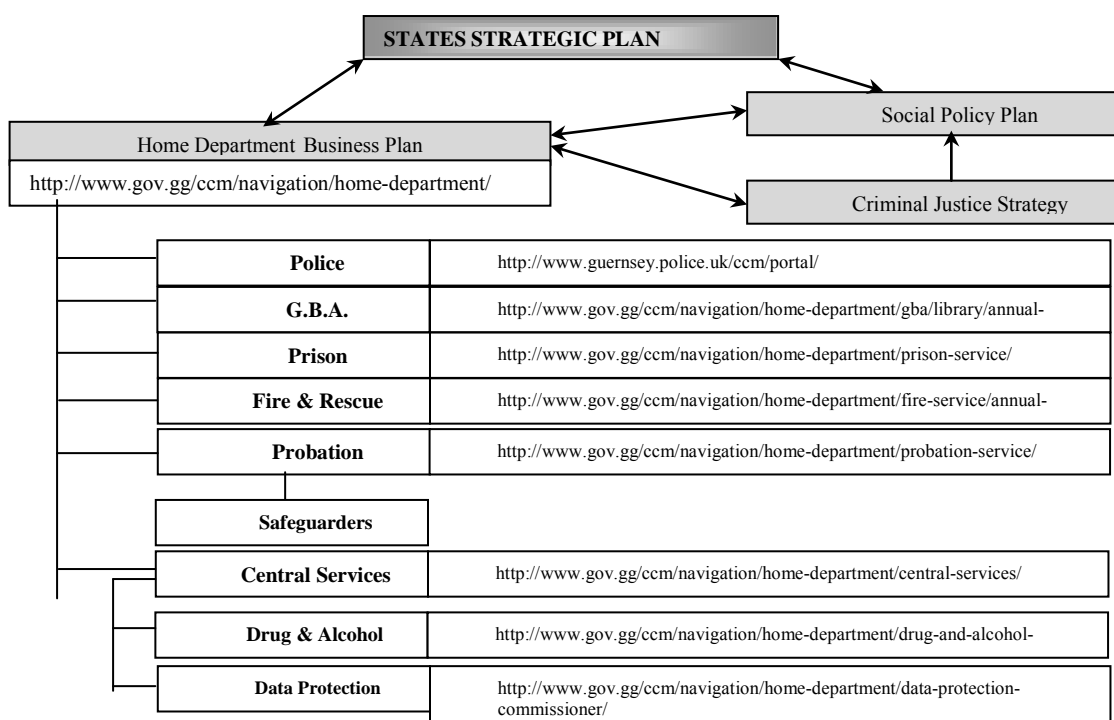
- **Corporate Working**

- To work with other States Departments to ensure that services provided are the best possible with budgetary constraints. This policy is expanded upon in section 5 of this plan.

Target date: Immediately and ongoing

Fit with States Objectives and Contribution to Cross Departmental Working

Detailed business objectives and further information can be found in the Home Department Business Plan 2011-2013 and in various Service Specific Business Plans and Reports.



The Following table depicts how the Home Department Business Plan priorities detailed in Section 2 fit with the States Strategic Plan.

HOME DEPARTMENT BUSINESS PLAN PRIORITY	FIT WITH STATES STRATEGIC PLAN
Criminal Justice Strategy	<ul style="list-style-type: none"> • Coordinated and cost effective delivery of public services • Maintain the Bailiwick as a safe and secure place to live
Law Enforcement Good Governance	<ul style="list-style-type: none"> • Maintain the Bailiwick as a safe and secure place to live
Legislation	<ul style="list-style-type: none"> • Coordinated and cost effective delivery of public services • Maintain the Bailiwick as a safe and secure place to live
Estates Strategy	<ul style="list-style-type: none"> • Coordinated and cost effective delivery of public services
Corporate Working	<ul style="list-style-type: none"> • Coordinated and cost effective delivery of public services

Key Performance Indicators and Targets

SERVICE AREA	KEY PERFORMANCE TARGET
Central Services	<ol style="list-style-type: none"> 1. To ensure that all enquiries from the public are actioned within seven working days. 2. To ensure that the Department remains within the revenue and capital budgets allocated by the States.
Guernsey Police Force	<ol style="list-style-type: none"> 3. To maintain or improve the overall detection rate for reported crimes - currently 30%. 4. To maintain or improve the level of public satisfaction with the delivery of policing services. To be measured through public surveys. 5. To reduce the number of prosecution case files that fail to meet the criteria for acceptable standards.
Guernsey Border Agency	<ol style="list-style-type: none"> 6. Prevent and combat cross border crime, protecting the border by disrupting or dismantling the activities of 12 or more serious and organised cross border crime syndicates annually. 7. Create an environment in which business can flourish maintaining the level of revenue collected at £32million per annum, to increase pro rata with RPI rate changes.
Probation Service	<ol style="list-style-type: none"> 8. To ensure that every offender has a supervision plan/risk assessment prepared within 4 weeks of the commencement of a statutory order. 9. To manage all offenders convicted of sexual or serious violence offences through the Multi Agency Public Protection Arrangements.
Safeguarder Service	<ol style="list-style-type: none"> 10. Increase the number of civil cases involving children being offered Mediation as an alternative to Court. 11. Reduce the time between Court requests and allocation of Safeguarder.
Guernsey Prison Service	<ol style="list-style-type: none"> 12. To improve the basic skills level of those committed into custody by monitoring skill levels and accreditations gained every six months. 13. To ensure there are no escapes or absconds from the establishment.
Fire And Rescue Service	<ol style="list-style-type: none"> 14. To achieve the Target Level set for the number of school visits of 120. 15. To achieve the Target Level set for the number of Fire Safety Inspections and Spot Checks of 1030.
Joint Police, Probation, Prison	<ol style="list-style-type: none"> 16. To reduce re-offending rates of those convicted by providing rehabilitative opportunities within custody and in the community 17. To seek a reduction in the percentage of repeat high risk offenders for domestic abuse through the effective use of Multi-Agency Risk Assessment Conference (MARAC) system.

Efficiency Workstreams Which Include Work Being Undertaken Under the F.T.P.:

- Estates Strategy

— The Department is attempting to rationalise its accommodation by reducing the rental paid to the private sector and making better use of States owned buildings. This includes bringing together as many of the Home Department Services as possible into one physical location in order to reduce running and

support costs and the introduction of a joint Emergency Services Control Room.

- Corporate working and avoiding duplication of effort
 - The Department works closely with the Jersey Home Affairs Committee and recently undertook a joint procurement for an Emergency Services radio system saving over £500,000. The Emergency Services of both jurisdictions also have mutual aid and joint training arrangements in order to reduce costs.
 - The Department is working closely with the Health and Social Services Department to provide a cost effective healthcare provision for those held in custody or Prison, and with the Education Department in the provision of education and training opportunities to aid rehabilitation of prisoners.
- Future of Law Enforcement
 - The introduction of an independent Law Enforcement Commission will help to ensure that the two Law enforcement organisations; the Police and the GBA work as closely as possible together, sharing resources and avoiding unnecessary duplication of effort and expenditure.
- Criminal Justice Strategy
 - It is intended that a Criminal Justice Strategy including all stakeholders in the Criminal Justice Arena, including the Judiciary, the Law Officers, non-government organisations and the Home Department will increase the efficiency of processes and lead to a more cost effective and cohesive service for the Bailiwick.

Service Specific Efficiencies

- The Fire and Rescue Service is reorganising its management structure and administrative support in order to increase operational efficiency.
- A Joint Emergency Services Control Room project, which is linked to the Department's Estate Strategy will increase operational efficiency and produce cost savings.
- The Police have discontinued their Diving Team and are undertaking increased civilisation of posts to reallocate resources to more day to day front line policing.
- The Prison have discontinued outdated working practices introducing a revised shift pattern which maximises staff resource during the core working week - increasing prisoner rehabilitation and educational activity to decrease the likelihood of reoffending.
- The Department is undertaking a review of its vehicle fleet management and maintenance procedures to enhance efficiency and reduce cost.

Key Performance Indicators/Corporate Management Tool

- The Department is introducing a Corporate Management tool which will enable actual outputs to be monitored against the Key Performance Targets ensuring that maximum efforts go into the most important areas of departmental responsibility.

Risk Register

- The Department has introduced a Risk Register which contains the highest risks to the business of the Home Department. The Register is reviewed by senior staff on a regular basis and agreed by the Political Board quarterly.

Housing Department

Summary of Mandate

The Housing Department is responsible for:

- The overall co-ordination and management of the Corporate Housing Programme (CHP), in fulfilment of the States Housing Strategy.
- The provision and management of social housing administered by the States. This includes:
 - (i) Tenancy management of 1,700 properties – rent setting, rent arrears management, operation and review of the Rent and Rebate Scheme, estate management and tenant consultation;
 - (ii) Property Management – day-to-day repairs, planned and programmed maintenance, refurbishment and modernisation of the States' social housing stock; and
 - (iii) Allocations – maintaining waiting lists, allocating tenancies (including nominations to housing associations) and carrying out Reviews of Tenancy in order to assist with the rationalisation of the States' housing stock.
- Facilitating and supporting the development of non-governmental organisations to provide social rental and other forms of social housing to meet identified housing needs.
- The regulation and funding of housing associations and other non-governmental organisations providing social rental and other forms of housing to meet identified housing needs.
- Establishing initiatives to improve the affordability, availability and quality of the private rental sector without reducing its size. This includes administering the Rent Control Law and developing the role of the Guernsey Private Residential Landlords' Association.
- Controls on housing occupation through the administration of the Housing Control and Right to Work Laws.
- Managing Maison Maritaine and Longue Rue House residential homes.

The Department also continues to administer all outstanding loans associated with the former States Home Loans Scheme and the Home Improvement Loans Scheme and to encourage borrowers to move to the commercial sector where this would be to their financial benefit.

Business Plan Policies

The Housing Department's Business Plan priorities are to:

- Embrace the principles of best value to ensure utmost financial stringency by:
 - i) adopting measures to maximise income;
 - ii) adopting measures to minimise wastage;
 - iii) adopting measures to improve operational efficiency and reduce revenue expenditure; and
 - iv) looking for opportunities where services can be delivered more efficiently and effectively by the private sector or Third Sector organisations.
- Demonstrate an ongoing commitment to the Financial Transformation Programme (FTP);
- Ensure that all departmental initiatives have their roots in the States Strategic Plan and contribute to the fulfilment of States' objectives;
- Contribute, where possible, in a meaningful way to corporate initiatives;
- Ensure that all customers are dealt with politely, fairly and sensitively with a focus on continual improvement in customer services;
- Facilitate, support and encourage the development of housing initiatives designed to provide Islanders who are eligible for social housing or intermediate housing options (e.g. partial ownership) with choices to meet their legitimate housing needs;
- Make the most efficient use of the States' housing stock by ensuring that social housing is allocated and occupied by those most in need;
- Maximise opportunities to work in partnership with private sector and Third Sector organisations to provide housing to meet the range of needs identified in the CHP, in fulfilment of the States Housing Strategy;
- Ensure that the CHP recognises and provides for the needs of the vulnerable and socially disadvantaged;
- Focus on developing sustainable communities by working with the Guernsey Housing Association (GHA) to provide new homes that are energy efficient and adaptable over time to people's changing needs, i.e. in line with Lifetime Homes principles;
- Provide high quality tenancy and property management services to social housing tenants in order to foster communities that are well-maintained, pleasant and safe to live in;
- Identify and further explore opportunities to improve the quality of life for social housing tenants living on Housing Department estates;
- Ensure that the Housing Control Law is administered in a consistent, objective and diligent manner, paying due regard to the States Population Policy, until such a time as an alternative Population Management Regime is introduced;
- Provide a high quality and responsive Housing Control service in accordance with agreed service standards;

- Provide a high standard of residential care to the residents of Longue Rue House and Maison Maritaine in compliance with the Guernsey Care Standards for residential and nursing homes;
- Plan effectively for the provision of ‘extra care’ accommodation on the sites of the two residential homes, including: (a) maintaining effective communications with residents, their families and staff; (b) planning for the relocation of residents in early 2014; (c) the retraining, reskilling – and where appropriate – redeployment of members of staff; and (d) ensuring that new housing and care services provide value for money.

Fit with States Objectives

The administration of the Housing Control Law is the principal means by which the States Population Policy is implemented.

The States Objectives:

The CHP is a good example of ensuring the co-ordinated delivery of public services in a corporate and ‘joined-up’ manner.

The Programme brings together a wide range of cross-cutting workstreams relating to housing issues and encourages States’ departments to work together to move forward initiatives in a co-ordinated way.

The use of a third party – the GHA – to provide all new build accommodation for social rent and partial ownership means that new housing to meet the needs of low income households and vulnerable people in the Island is delivered at a much reduced cost to the tax payer. Grant funding (excluding the value of land transferred to the GHA) now typically represents only 10-25% of the total development costs. The use of private finance to meet part of the cost of this accommodation maximises the cost-effectiveness of providing this new accommodation, whilst keeping rents affordable for tenants.

The Housing Department’s latest report on the CHP considered by the States in May 2010 provides more information: see Billet d’État XI 2010.

Social Policy Objectives:

Through the CHP, the Housing Department strives to improve the quality of life of Islanders, particularly for households on a low income or with a need for supported or specialised housing.

The Social Policy Plan includes a number of core values and strategic social policy objectives that are translated into action through the CHP. Clearly, the principal social policy objective that can be achieved through the CHP is to:

- Improve housing availability, quality and affordability.

However, there are a number of other core values and strategic social policy objectives that can also be addressed through the CHP; namely, to:

- Foster an inclusive and caring society which supports communities, families and individuals;
- Promote active and engaged citizenship;
- Promote, and remove barriers to, social inclusion and social justice;
- Meet welfare needs and reduce poverty;
- Maintain a healthy society and safeguard vulnerable people.

The latest Report on the CHP, considered by the States in May 2010, highlighted that it was essential for CHP objectives to be referenced in departments' operational plans or in the SSP itself; otherwise, there is a risk that the CHP workstreams will not be fully integrated within the SSP architecture. This was agreed by the States.

Environmental Policy Objectives:

In all new social housing developments that have been completed in recent years, the Housing Department has encouraged the GHA to include a range of eco-technologies to benefit the environment and reduce ongoing fuel costs for tenants. The GHA now routinely incorporates solar panels for heating and hot water into its new developments and has also tried and tested other technologies, such as a mechanical heat recovery system, which has also proven to work well. All new homes are also extremely well-insulated.

Furthermore, the Housing Department has invested monies from the CHP Fund to install cavity and loft insulation in a significant number of properties to improve its own social housing stock.

These collective measures demonstrate the Housing Department's commitment to reducing the Island's carbon footprint; to conserving energy and switching to cleaner fuels; and to promoting sustainable practices.

Efficiency

Value for money

As described above, the Housing Department's commitment to using housing associations to provide all new social rental and partial ownership accommodation signals the Department's commitment to finding alternative ways, where possible, to deliver its mandate in a cost effective way.

The proposals to provide 'extra care' housing at Longue Rue and Maison Maritime build upon the successful implementation of the general needs social housing programme. Replacing the ageing residential care homes with 'extra care' housing demonstrates the Department's ongoing commitment to finding better and more sustainable ways to meet current and future housing and social care needs. It will also reduce expenditure on outmoded and more expensive residential care.

The Housing Department took the lead in renegotiating the contract between the States and Action for Children, who deliver the Youth Housing Project. A rationalisation of services and a reduced management fee generated significant and ongoing savings.

Introduction of charges for Housing Control services

In 2009, the Housing Control Section introduced administration charges for some of its services. In the main, the charges relate to the processing of applications for employment-related documents.

Had charges not been introduced in this way, the service would continue to be funded in full by General Revenue. Income in 2010 was £816,000.

Financial Transformation Programme

The Housing Department has contributed to initiatives associated with the FTP, as necessary. For example, it has committed to improve the energy efficiency of its social housing stock, its two residential homes and the use of energy in its office accommodation.

Specifically: (i) the proposals to replace the residential homes with 'extra care' housing are part of a broader value for money review of health and social care expenditure; (ii) in conjunction with the Social Security Department, the Department is jointly reviewing the integration of the Supplementary Benefit and Rent Rebate Schemes, which is an ongoing FTP workstream.

Aside from the FTP, to reduce expenditure the Department has reviewed: (i) the use of the number and type of leased cars under corporate contract;; (ii) its practices in relation to printing and photocopying; and (iii) the staffing rotas in the two residential homes.

Public Services Department

Summary of Department Mandate

The below (Figure 1) provides a brief overview of the work the Public Services Department (PSD) is responsible for. The Department delivers key services and provides essential island infrastructure through five business units:

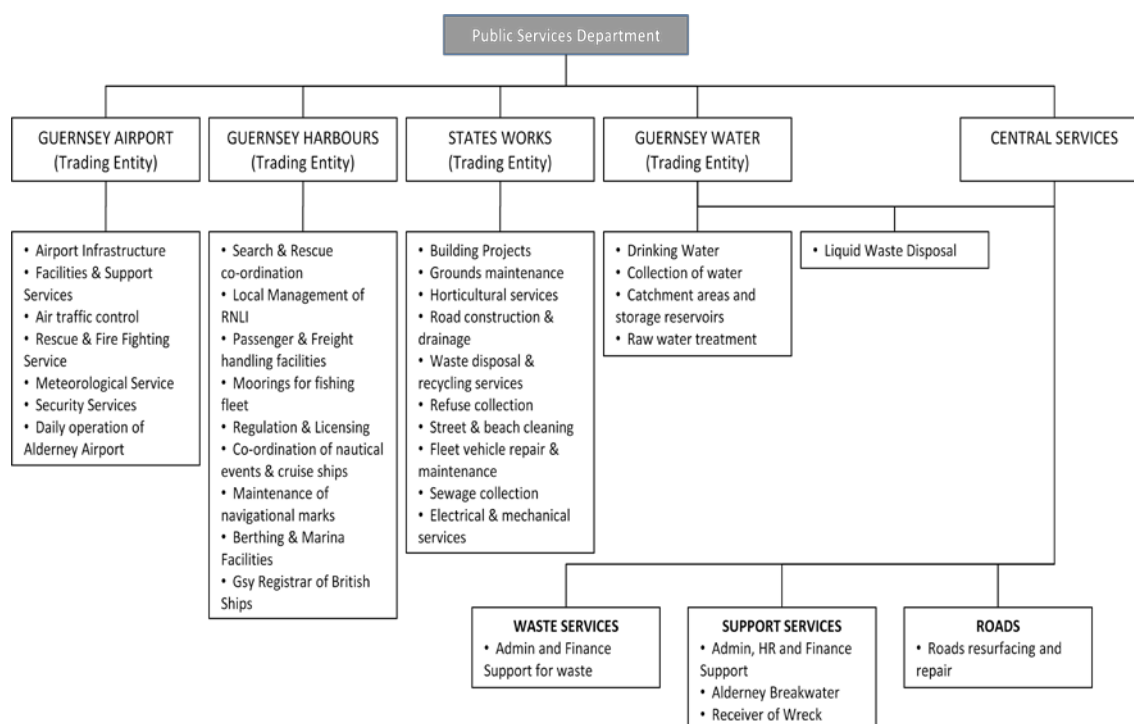


Figure 1

Further details on the mandate can be found at www.gov.gg. Alternatively, specific business plans and/or strategies can be requested directly from each business unit.

2011 Business Plan Policies to fulfil our mandate

The draft PSD Strategy (2011-2015), is designed to complement and support the future development of the Island Infrastructure Plan (IIP), along with States Policy Plans. Whereas the prime purpose of the IIP resource plan is to identify infrastructure investment by all States Departments and the private sector over the next five to 20 years; the PSD strategy will look primarily at the delivery of services, maintenance and investment of public infrastructure requirements under its control (please refer to section 1). This will be in co-ordination with customer requirements, expectations and satisfaction levels. This strategy will be updated and reviewed on an annual basis.

Through its own actions together with partnerships with other key providers, the Department hopes this inaugural PSD Strategy will help formulate and develop future requirements to ensure Guernsey residents and visitors continue to benefit from a well maintained infrastructure and their associated support services.

The PSD Strategy looks to adopt the following policies:

- **Provision of attractive and well-maintained public amenities and infrastructure;**
- **Delivery of public infrastructure requirements in a co-ordinated and cost-effective way;**
- **A clean and safe environment for local residents and visitors;**
- **Sustainable public infrastructure (including waste disposal, water requirements and island travel networks) growth and maintenance.**

Provision of attractive and well-maintained public amenities and infrastructure

- a) To ensure the island leaves a strong legacy to future generations;
- b) Continuous efficient investment to ensure all infrastructure requirements are ‘fit for purpose’;
- c) Maintenance and development (as necessary) of on-island and off-island travel networks; water supply, storage & delivery; solid & liquid waste management;
- d) Promotion of interest and pride in the Island and its public amenities, encouraging members of the local community, where they can, to help maintain these facilities.

Delivery of infrastructure requirements in a co-ordinated and cost-effective way

- a) To operate in an economic and efficient way;
- b) To ensure all public services continue to be delivered in the most co-ordinated and cost-effective way possible, through effective partnership working, both commercially and between departments; including the investigation of alternative business environments;
- c) To provide facilities and amenities to help promote Guernsey as a successful and high quality location in the Global Community.

A clean and safe environment for local resident and visitors

- a) From the airports to the harbours, and from providing fresh drinking water to the disposal of solid and liquid waste, a healthy and secure infrastructure is key to providing the Island with a clean and safe environment;
- b) To adhere to Service Level Agreements and robust quality control measures together with adherence to local, national and international laws, guidelines and best practice.

Sustainable Infrastructure (including waste disposal and island travel networks) growth and maintenance

- a) Sustainable investment in local Island public facilities and amenities for future use.
- b) Maintenance and development of assets; waste facilities and disposal; roads; and all the associated administration tasks needing to be undertaken in order to ensure this sustainability for future generations.

In addition, the Department will ensure to the best of its ability, that public money is only invested where there is:

- A clear understanding of its use and/or purpose;
- Strong sustainable partnerships with providers who deliver;
- Open monitoring and review;
- A requirement to do so by law in order to maintain facility and amenity provision.

Over time, public facility provision and expectations will change. The Department is mindful of these changes and will adapt and modify according to requirements.

Fit with States Objectives and contribution to cross-departmental working

Infrastructure could be defined as:

“The basic physical and organisational structures needed for the operation of a society or enterprise¹” or “The services and facilities necessary for an economy to function².”

This includes the provision and delivery of key services through five business units which help make up the tangible aspects of day to day living.

As part of its day to day business, the ‘*co-ordinated and cost-effective delivery of public services*’ is demonstrated by the continuous review of resources needed to deliver services and consideration of the ways in which service to the public can be improved for little or no cost. Continuous improvement to the management of waste disposal and recycling facilities together with the upgrading of the foul sewer network is also a good example.

The ‘*wise long-term management of island resources*’ applies to the department in most of the areas it is responsible for, such as the rolling programme of raw and treated water main replacement driven by Guernsey Water, and the rolling programme of road re-surfacing.

The Department also supports in particular, nine of the key supporting objectives as stated in the States Strategic Plan. These are (with selected examples):

Fiscal and Economic Objectives

- *Skilled, flexible labour market*; demonstrated by a reliance on skilled and flexible workforce through the various business units of the department, and more specifically the training of Trade Apprentices through States Works in partnership with Education.
- *Diversified, broadly balanced economy*; through the ‘Trading Entity’ approach of four of the PSD Business Units (Guernsey Water, States Works, Airport and Harbours).

¹ Online Compact Oxford English Dictionary

² Arthur Sullivan; Steven M Sheffrin (2003), Economics: Principles in action

- *Modern key strategic infrastructure, public investment averaging 3% GDP;* shown by the proposed development of the Airport Runway, and continuous rolling road resurfacing programme (in liaison with the Environment Department).

Social Policy:

- *Promote active and engaged citizenship;* shown by the recent extensive public consultation regarding the Waste Strategy.
- *Maintain a healthy society and safeguard vulnerable people;* ensuring all drinking water is of a required standard and all waste is disposed of appropriately; providing a Community Environmental Projects Scheme (CEPS) through States Works in partnership with Social Security.
- *Maintain the Bailiwick as a safe and secure place to live;* demonstrated by the provision of security services at the airport and harbours in accordance with the UK's Department for Transport, Local government and the Regions' National Aviation security Programme, in partnership with the Border Agency.

Environmental Policy:

- *Reduce our carbon footprint and adapt to climate change;* working with other States Departments in the development of the IIP and co-ordinating strategies to help adapt to the possibility of rising sea levels.
- *Protect our biodiversity and countryside;* through the extensive recycling and re-use programme, the daily cleansing of island roads and streets and the management of 'fly tipping'.
- *Manage our solid and liquid waste;* a Waste Strategy States Report, written by both the Environment Department and PSD will be taken to the States of Deliberation in November 2011.

Detailed actions and objectives of the department, and how they relate to the SSP objectives can be found in the draft PSD Strategy 2011-2015. Copies of individual Business Unit Strategies, Business Plans and Action Plans are also available on request (refer to Figure 2 below).

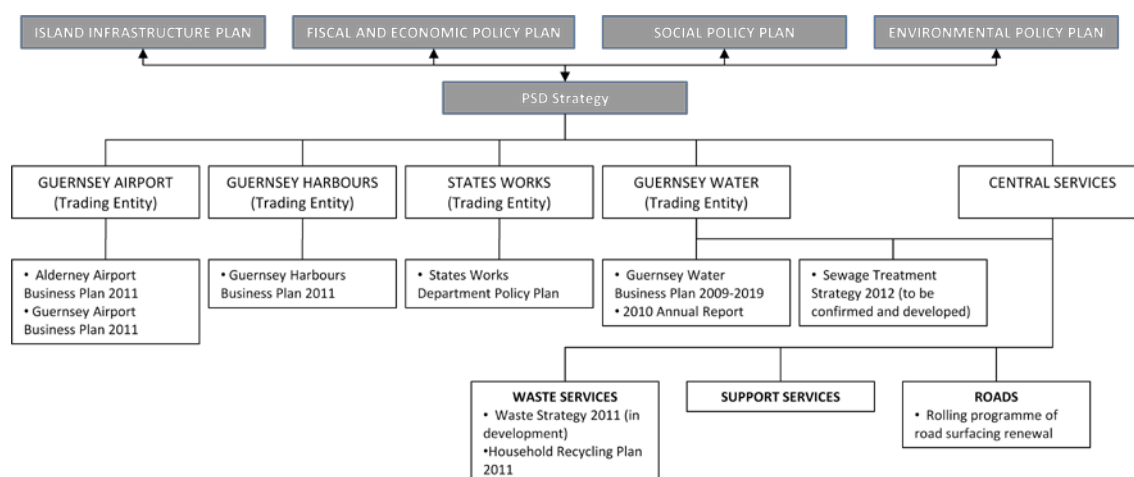


Figure 2

Efficiency

As the work of the Department is so diverse, and spread over so many business units (most of which operate on a trading basis, with their own support functions) it is difficult to quantify exactly how the Department prioritises its services. This is made even more difficult owing to many areas dealing with many issues of a reactive nature (e.g. street cleansing and pothole repairs). However the following monitoring and reviewing process takes place in many of the Business Units, in order to ensure the Department is running as efficiently as possible:

- Tight financial and operational performance reviews through regular monitoring, and periodic reports, including adherence to agreed SLAs;
- Monitoring of trends (for example road cleaning complaints);
- External measurement and audit against International/European/National standards and codes of practice (where appropriate, for example, Airport, Harbour, Guernsey Water);
- Regular liaison with user groups (for example Waste Strategy Stakeholders, Commercial Port Users, and other focus groups);
- Health & Safety Audits;
- Setting of and reviewing performance against measurable business and operational targets (Key Performance Indicators);
- Risk Assessment Reviews (where appropriate to business unit);
- Benchmarking against peers (where appropriate to business unit).

Specific work regarding the Financial Transformation Programme (FTP) includes the following projects (with FTP references):

PROP_E: Rationalise grounds maintenance contracts and Service Level Agreements (SLAs)

- Actively negotiating contracts with other States' Departments to reduce their non-core work and hopefully operational costs.

- Increasing the volume of 'in-house' grounds maintenance contractor activity through States Works.

VEH_A: Establish a centralised fleet management function

- Establishing a single function responsible for managing the States' fleet for vehicles – to include vehicles, maintenance and vehicle storage locations, through States Works.

PSD_012: Assess options available for the management and maintenance of Alderney Breakwater

- In partnership with States Property Services, a tender is now out for Sonar equipment to help with detailed surveillance regarding the Alderney Breakwater.

The following FTP workstreams will also require input from PSD over future months:

C&E_D: States wide strategic view of policies on air route links to Guernsey

PSD_015: Review Maintenance Budget Planning

FIN_S: Establish a single States approach to external charging

HOME_001: Promote joined up working with other departments.

There will no doubt be other FTP workstreams the department will be expected to have an input into. The work required for these will be established over the next financial year.

In addition the Department has a regular input into the following plans:

- **Environmental Plan** (in particular solid and liquid waste management, together with emergency planning)
- **Fiscal and Economic Plan** (in particular a skilled, flexible labour market and modern key strategic infrastructure)
- **Island Infrastructure Plan** (led by PSD, and in partnership with Commerce & Employment, and the Environment Department. This work includes publically funded infrastructure requirements and specifically includes work and planning regarding water, solid and liquid waste, Harbours, Airport, Roads and Alderney Breakwater – all of which are within the control of PSD).

It is hoped this first submission of PSD Policy Plans for inclusion in the SSP, will continue to develop and evolve as business and community needs dictate. These plans and work streams will continue to be refined by the Department throughout the next fiscal year.

Finally, the PSD Strategy, together with all its associated divisional business plans, will endeavour to look at specific objectives, partners, timescales and actions for all of its responsibilities. This will help foster and develop a continuous improvement culture and provide an economic and efficient service for the States of Guernsey and its customers.

SOCIAL SECURITY DEPARTMENT POLICY

Summary of Department Mandate

The Social Security Department's main purpose is to provide social security coverage for the wellbeing of Guernsey and Alderney residents, and for migrant workers and their families. The Department does so by maintaining and developing:

- a **contributory Social Insurance Scheme** to provide financial assistance to the community through the administration of old age pension, bereavement benefits, sickness and invalidity benefits, industrial injuries benefits, medical travel grants, unemployment benefit, maternity benefits and a death grant;
- a **contributory Health Insurance Scheme** to cover prescription charges, specialist medical care and GP and nurse consultation grants;
- a **contributory Long-term Care Insurance Scheme** to provide long-term care benefit to assist with the cost of accommodation and care in private nursing and private residential homes;
- **non- contributory schemes to:**
 - provide family allowance, attendance allowance and invalid care allowance and supplementary benefit to people unable to safeguard their own welfare or having insufficient resources for an adequate quality of life;
- **reciprocal agreements** with other countries to preserve social insurance entitlements for local residents working in the international community and vice versa.

For the Department's full mandate see: www.gov.gg/ccm/navigation/government/states-members-and-committees/mandates-and-memberships/

2011 Business Plan Policies

To provide social security coverage for the community:

The Department's objective over the long-term is to increase contributory benefit rates at the mid-point of the increase in RPIX (prices) and the increase in earnings.

To provide financial assistance and protection for families, the disabled and their carers and the least well-off members of the community:

The Department's benefit uprating objective for non-contributory benefits is currently less well defined. In recent years, in an environment of fiscal restraint, benefit upratings have tended to match RPIX, but not exceed it. This uprating objective will be informed by the review of the supplementary benefit scheme which includes the calculation of minimum income standards and will allow the adequacy of benefit rates to be assessed and, thereafter, measured against the target specified in the States Strategic Monitoring Report 2011 of annual increases equal to or above median earnings.

The Department will be reporting to the States in December 2011 with proposals centred on a theme of work incentives to provide a more inclusive modernised supplementary benefit scheme for the least well-off members of our society in order to alleviate relative poverty.

To reduce rising trends in long-term incapacity:

- Primary Care Mental Health Service

This is a 2 year pilot scheme funded by the Department working with the Health and Social Services Department and the Primary Care Committee to develop an integrated mental health service to ensure that, following an assessment in the community, psychological support and therapy is available for the early intervention of mild to moderate mental health problems.

- Supplementary benefit incapacity claims

The Financial Transformation Executive has approved a business case to address long-term supplementary benefit incapacity claims as part of the Financial Transformation Programme.

To improve support for people with disabilities and their carers:

The Department has conducted a review of attendance and invalid care allowances and will be reporting to the States in 2011 with proposals intended to improve the support the Department provides to people with disabilities and those who care for them in the community.

To increase workforce participation and reduce benefit dependency through the provision of enhanced advisory, support and training services:

- Training courses

The Department operates its Community and Environmental Projects Scheme (CEPS), as well as work-focused training courses such as the 'Get into' courses which provide training in industries, from woodwork to caring, for those under 25 year olds at risk of long-term unemployment.

It will also be developing use of the Food and Retail Skills shop based at Waitrose, Admiral Park, an initiative developed by the Department in conjunction with the Education Department and the private sector.

- Work rehabilitation strategy and job seeking services

Through a joint project with the Housing Department, the Department seeks to provide its Job Centre with assistance in placing job seekers in suitable employment through the appointment of a professional recruitment agency.

The Department is developing its work rehabilitation strategy and is aiming to expand its work rehabilitation service. It is also working with the Education Department to devise more initiatives to assist jobseekers.

- Skills Strategy Development Group

The Department will be implementing actions resulting from the Strategy to match the skills of jobseekers with available employment opportunities in order to develop Guernsey's workforce.

To manage and safeguard public funds:

- **Common Investment Fund**

The Department has statutory responsibility for the control and management of its three contributory insurance funds which are combined, for investment purposes, into the Common Investment Fund. The Department contracts with external advisers, fund managers and custodians with the objective of achieving equity-like returns with lower than equity risk. Performance figures are published quarterly.

- **Actuarial Reviews**

In 2011 the Department will be reporting the results of the actuarial reviews by the Government Actuary's Department of its three contributory insurance funds.

Fit with States Objectives and contribution to cross-department working

Maintenance and enhancement of Guernsey's standing in the global community

- The Department has reciprocal social security agreements with 20 countries, regulating contribution liability and benefit entitlements for people who have worked in Guernsey and in one or more of the countries covered by the agreements.
- The Department is a long-standing member of the International Social Security Association (ISSA). The Chief Officer is a Vice-Chairman of the ISSA Technical Commission on Investment of Social Security Funds and an occasional Chairman or panellist at ISSA conferences.

Co-ordinated and cost-effective delivery of public services

- The Department will be working closely with the Treasury and Resources Income Tax Department to consider how savings might be achieved by merging and consolidating the collection, payment and treasury systems between the two departments.
- The Department is working to rationalise means-tested benefits by providing assistance with rents from supplementary benefit alongside the phased removal of the Housing Department's rent rebate scheme.
- The Department is seeking to improve its performance through the establishment of an effective Key Performance Indicator and performance reporting system.
- The Department has held Investors in People status for 10 years and is currently working towards re-accreditation.

Long-run fiscal balance: spending within constraints of the Fiscal framework

- The Department works within its capped general revenue budget for administration, but the nature of its welfare business and the statutory obligation to pay benefit to people who meet the eligibility criteria requires a formula-led budget which, by definition, is unconstrained. Where the Department can and does exercise control is in the scrutiny of claims and prevention and detection of fraud.

Foster an inclusive and caring society which supports communities, families and individuals; Meet welfare needs and reduce poverty

- The Department carries out an annual review of benefit and contribution rates.
- In 2011 the Department will be reporting to the States on its supplementary benefit review which is centred on the topics of work incentivisation, rent rebate integration and support for young adults in education.
- The Department will be reporting to the States during 2011 on its review of attendance allowance and invalid care allowance.
- The Department, when resources allow, will be investigating the extent and adequacy of second pillar pension provision in Guernsey.

Continuing full employment; Skilled, Flexible Labour Market

The Department is:

- Reforming its supplementary benefit scheme built around a central theme of work incentives for those who can work; including supporting young adults who wish to remain in education in order to increase their potential and maximise their employability.
- Funding a two year pilot scheme for a new primary care mental health service to prevent mental health claims becoming long-term and the resultant effect on employment.
- Developing an incapacity strategy and investigating moving towards a single incapacity benefit which does not increase in value the longer a person remains out of work.
- Aiming to move more people off benefit into work, through the provision of a work rehabilitation service, work-focused training courses, and job-seeking initiatives being developed jointly with the Education Department.
- Seeking to appoint a recruitment company to assist jobseekers to find work, following the successful completion of a pilot scheme.
- Developing a work rehabilitation strategy linking to the Skills Strategy.

Efficiency

The Department pursues a number of activities to manage costs and maximise investment return including:

- Back to work programmes
- Fraud prevention activity
- Development of a primary care mental health service
- Incentivising work through a reformed supplementary benefit scheme
- Generic drug prescribing
- A new strategy for investments.

As part of the Financial Transformation Programme the Department is currently undertaking or is committed to undertake:

- Procurement and SAP projects
- A review of incapacity related supplementary benefit claims
- A Value for Money review of off-island placements working with the Health and Social Services Department and the Primary Care Committee
- Tax and Social Security IT replacement project.

Treasury and Resources Department

Summary of Mandate

The Department has a broad range of responsibilities and at the highest level these can be categorised as advising the States on matters relating to: -

- The allocation and administration of States resources (money, people, property and information and communications technology).
- The regulation and control of States financial affairs.
- The raising of States income.
- The systems for the assessment and collection of income tax, dwellings profits tax (currently suspended) and tax on real property.

We deliver our responsibilities and services through six sections which, together, comprise the Treasury and Resources Department. Those sections are: Client Services, Corporate Procurement, Corporate ICT (communications and technology), Income Tax, Property Services and Treasury.

2011 Business Plan Policies

General

- Corporate Guidance – To provide, and ensure compliance with, a corporate governance framework for financial and resource management.
- Legislation – To administer the requirements of the legislation for which the Department is responsible ensuring that it is up to date and fit for purpose.
- Resource allocation – To ensure that the States are fully informed about the resource implications when making decisions on Departments' and Committees' policy proposals.
- Risk management – To provide a commercial insurance package to ensure the States have adequate financial protection for the major risks they face.
- Staff numbers - To keep under review the effects of replacing the former Staff Number Limitation Policy (SNLP) with a policy based upon Department's budgets and to make recommendations for changes to the framework and reporting requirements.
- Transparency – To keep States Members and the public regularly informed of the condition of public finances through the production of Quarterly Bulletins to supplement the annual Accounts and annual Budget of the States.

Financial

- Accounting - To provide accurate, timely and transparent financial information on the position of the States Accounts.

- Capital Programme - To: -
 - (a) Recommend to the States a prioritised and affordable Capital Programme.
 - (b) Monitor each Programme and the resources available for capital investment to ensure adequate funding is available.
 - (c) Oversee all capital projects to ensure appropriate financial and project management reporting.
- Financial information – To: -
 - (a) Prepare the annual States Accounts and continue the process of improving their content and presentation.
 - (b) Present an annual Budget which has been prepared within the targets of the States Fiscal Framework and Fiscal and Economic Plan.
- Financial systems – To provide a financial accounting system which facilitates access to comprehensive financial and management information upon which to assess performance and underpin future policies.
- Internal Audit – To provide an Internal Audit service and continue to develop its capability and ‘reach’.
- Investment management - To maintain a risk-based approach to investment management and continually review the portfolios for which we are responsible to ensure that the return is maximised within appropriate levels of risk.
- Shareholder’s responsibilities – To review, approve and monitor each entity’s annual business plan, oversee their financial performance and establish the corporate governance arrangements to be followed.

Information and Communications Technology

- Information and services – To provide an IT content management system which will enable a common platform for all States owned web sites and facilitate a citizen focused States web site.
- Security of data – To manage and ensure the security of data held on the States ICT network and IT systems.
- Systems – To ensure the States have an efficient and effective method for communications through the provision of a Wide Area Network (WAN).

Property

- Assets

(i) To build and maintain a record of all States built property assets, their overall condition and standards of maintenance in order to inform the future approach to be taken with rationalisation, maintenance planning, budgeting and cost control.

(ii) To adopt, where appropriate, a commercial approach to the management of the States property portfolio having regard to the wider public interest.

(iii) To provide Departments with the tools to ensure they maintain Departmental and individual Property Asset Management Plans for all States land and property that they occupy,

- Developing land and property – To coordinate the potential development opportunities that are offered by land and property within the States property portfolio (e.g. Longue Hougue, Castel Hospital site).
- Energy efficiency – To provide Departments with the tools to enable them to implement energy conservation measures.
- Office accommodation – To determine what properties should be held within the States portfolio, manage the whole life costs of those properties and identify opportunities for rationalisation.
- Property space standards – To promote standards and benchmarks for the development, use and maintenance of all States property, including major capital alterations, extensions, refurbishments and new build.

Taxation

- Corporate Tax – To provide technical advice and support in the development of the island's new Corporate Tax system.
- International Tax Agreements – To negotiate international agreements and maintain a presence at international tax forums including the Global Forum on Transparency and Exchange of Information in order to preserve and enhance the island's international reputation.

Fit with States objectives and contribution to cross-departmental working

States Objectives

The Department's policies are aligned with those overarching States objectives that are directly relevant to the Department's mandate which include: -

- The wise, long-term management of Island resources.
- The co-ordinated and cost-effective delivery of public services.
- Sustainable economic growth and effective public services without increasing the population.
- The long run fiscal balance: spending within constraints of the Fiscal Framework.
- Real term freeze on aggregate States revenue expenditure.

- Stable and low inflation.
- Modern key strategic infrastructure, public investment averaging 3% of GDP.
- Assisting people to help themselves and become independent where possible, by encouraging personal responsibility.

Cross-departmental working

The Department is represented on the following cross-departmental groups: -

- Fiscal and Economic Policy Group.
- Social Policy Group.
- Energy Policy Group.

The Department leads a political level, cross departmental group which is assessing the potential development opportunities in relation to land and property assets owned by the States.

The Department's Chief Officer is a member of the cross-departmental working group which is responsible for developing the Older Peoples' Strategy.

Efficiency

The Department's 2010 expenditure request was reduced by £1 million comprising budget cuts of £500,000 and the absorption of other costs totalling a further £500,000. For 2011, the Department reduced its total expenditure request by a further £500,000.

In the past 18 months the Department has reduced its staffing complement by 17 posts.

The Department is playing a leading role in the implementation of the Financial Transformation Programme ensuring that the financial, information technology, procurement and property projects are being progressed in a timely and joined-up manner. The Department's Chief Officer is a member of the Transformation Executive. The Chief Accountant, who also sits on the Transformation Executive, is the Senior Responsible Officer for the Programme.

Further Information

More detailed information about the Treasury & Resources Department is contained in its Business Plan which can be found on the States of Guernsey Website www.gov.gg

Public Sector Remuneration Committee

Summary of Committee Mandate

The Committee is responsible for:

- taking the employer's role in all matters relating to the determination of pay, pension benefits and conditions of service for approximately 4,500 States employees;
- advising on the pay and conditions of service of staff who, although not direct employees of the States, are involved in other areas of public administration where States finances are involved.

2011 Business Plan Policies to fulfil your mandate

In 2011 the Committee will continue to ensure pay is fair to the employee, employer and taxpayer and aligned with the States Strategic objectives.

Pay will continue to be negotiated through a process of collective bargaining.

Negotiations will be executed by Officers and will not involve the whole Committee directly.

The Committee will commence the review of the Public Sector Pension provision.

The Committee will work on the basis that the PSRC will no longer operate in the current form after the next election and all decisions will take this into account.

Fit with States Objectives and contribution to cross-departmental working

The principal fit with States objectives is delivering on a freeze in real terms of expenditure and sustainable economic growth and effective public services without increasing the population to the detriment of our environment and way of life.

The Committee works closely with the major employing departments to ensure pay settlements are fair to employee, employer and ultimately the taxpayer and that opportunities for modernisation and improved productivity in the delivery of services are built into the pay development process.

Efficiency

The Committee takes into account the need to continuously improve Public Service staff performance within the boundaries of pay. It takes into account opportunities that may be present to utilise pay to improve organisation performance. These opportunities are identified by working with the main employing Departments in determining appropriate pay levels and structures.

PARLIAMENTARY COMMITTEE BUSINESS PLAN SUMMARIES

Public Accounts Committee

Summary of the Committee's Mandate

In order to fulfil its mandate, the Public Accounts Committee takes policy as read and focuses on carrying out reviews into States Departments and States funded non-States bodies in order to ascertain whether they are providing best use of public money for Guernsey.

The Committee is tasked with ensuring proper financial scrutiny of States' Departments takes place and that States' and non-States bodies' operate to the highest standards in financial matters.

Acting as a *safeguard* to public money, it investigates whether public funds have been *applied for the purposes intended by the States* and that value for money has been achieved.

Where necessary, the Committee makes recommendations aimed at achieving better value for money in the future, through its published States Reports. These reports, along with the Committee's full Mandate, may be accessed at:

<http://www.gov.gg/ccm/navigation/government/public-accounts-committee>.

2011 Business Plan Policies

- To promulgate good governance principles throughout the States and to further the need for greater accountability and management of risk, following the adoption of the six principles of good governance by the States of Deliberation in March 2011.
- To continue to initiate a mixed programme of value for money reviews and investigations on projects, as well as commission other reviews as directed by the States.
- To review and assess the performance of the Committee along with the methodology of instigating reviews prior to the conclusion of the Committee's framework agreement of third party reviewers in 2012 and the possible creation of an Auditor General.
- To evaluate, support and promote the guidance, standardisation and regulation of accounting and financial and resource management processes and procedures.
- To consider the processes to appoint external auditors for the States and other entities prior to re-tendering in 2012.
- To continue to support and promote the reporting of the States' finances in a clear format and in accordance with internationally accepted practices and to interrogate States spending to ensure compliance with States Resolutions and procedures.

- As the Financial Transformation Programme and States Strategic Plan develop, the Committee will continue to monitor these initiatives to ensure that Departments' encompass the efficiency and budget changes.
- To ensure co-ordination with the other financial scrutiny bodies of external and internal audit continues.

How Our Work Fits With States Objectives and Cross Departmental Working

By concentrating on the financial efficiencies and effectiveness of the States of Guernsey, the Committee is contributing to securing the Island's economic future, through:

- **Maintenance and enhancement of Guernsey's standing in the global community:**

Since inception, the Committee has carried out some high profile reviews which have attracted national attention. The outcome and implementation of the recommendations following these reviews, has enhanced the Committee's own international standing as its procedures and processes are promoted to other newly set up Public Accounts Committees. The assurance of a developing financial scrutiny within its government can only enhance Guernsey's standing in the global community.

- **Wise long-term management of Island resources:**

The work of the Committee focuses on the long term management of Island resources to ensure that resources are safe and secure and that management of them provides best value. In the past, these investigations have questioned the finances, project management and control over the capital projects as well as the safeguarding of our heritage. As the Committee's role in monitoring the introduction of and compliance with, the mandatory financial procedures and codes for construction develops, the application of its continuing recommendations within the day to day workings of the States as a whole, will further secure wiser long term management of financial resources.

- **Co-ordinated and cost-effective delivery of public services:**

The Committee's main role within the States is to ensure that public services are delivered cost-effectively through its value for money reviews. The outcomes of its reviews should lead to better governance, corporate identity and co-ordination throughout the States.

- **Long run fiscal balance: spending within constraints of the Fiscal Framework:**

Although the Committee is unable to challenge fiscal policy, it can question whether spending is constrained. Governance and procedures of financial management have improved immeasurably recently, partly arising from the recommendations of the Committee's reviews. These have lead to Departments implementing changes which will help in the efforts to constrain spending for

some time to come.

Efficiency of the Committee

The Committee's ethos and commitment is to ensure that the States activities and services provide best value within the financial restraints and stringencies placed on the States Departments and other bodies.

Its programme of work is organised in order to publish at least four reports a year within its budget and other resources. Including value for money reviews, investigations and scrutiny of areas identified by the States as and when they arise, in order to fulfil the Committee's mandate in a streamlined and effective manner.

It continues to work closely with Internal Audit and the Financial Transformation Programme to avoid duplication of work and maintain a complete financial scrutiny function for the States of Guernsey.

In the coming year, the Induction Plan for new members of the Committee post the 2012 election, will be reviewed and fine tuned if necessary, in order to ensure the smooth transition from one Committee to the next.

Scrutiny Committee

Summary of Committee Mandate

Through a process of political scrutiny, the Committee reviews the performance of the Policy Council, Departments and Committees with particular emphasis on:-

- **Determining the effectiveness of the policies of, and services provided by, Departments and Committees;**
- **Assessing the performance of Departments and Committees in implementing policies and services;**
- **Identifying areas of policy or service delivery that might be inadequately or inappropriately addressed;**
- **Identifying new areas of policy or service delivery that may require implementation;**
- **Determining how well a new policy or service has been implemented;**
- **Promoting changes in policies and services where evidence persuades the Committee that these require amendment; and**
- **Holding reviews into such issues and matters of public importance that the Committee may determine from time to time.**

The full mandate of the Committee is available on the States of Guernsey website, www.gov.gg

2011 Business Plan Policies

The Committee's objectives are to:

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

The Committee aims to achieve the appropriate balance between scrutinising policy and service delivery issues as they arise alongside conducting in-depth reviews.

To achieve this, the Committee has held public scrutiny meetings with States Departments to question Departments about areas of strategic importance under their mandate. It also holds monthly 'Billet meetings' to increase the opportunities for the

Committee to comment promptly prior to policies being implemented and has carried out a number of ad hoc workstreams.

Fit with States Objectives and contribution to cross-departmental working

The Scrutiny Committee is mandated to monitor Departments and Committees to ensure appropriate implementation of policy and service delivery, and will assess performance against the policy planning process endorsed by the States of Deliberation.

Scrutiny's role is to ensure all Departments and Committees are meeting, and relating their workstreams to, the States Objectives, whilst acknowledging that the plan is a multi-faceted, evolving process, that in itself will be monitored by the collective parliamentary committee process.

Efficiency

The Committee reviews its work programme on a quarterly basis, to ensure it can incorporate and reprioritise workstreams and allocate resources, as appropriate. The revised programme is subsequently published and is available from www.gov.gg/scrutiny.

The Committee publishes performance reports, available from www.gov.gg/scrutiny. The first report of this term of office details the Committee's performance from May 2008 to the end of April 2009. The second report details performance from May 2009 to December 2010. A further report covering 2011 will be produced by March 2012.

The Committee has implemented a range of qualitative and quantitative performance indicators that monitor the performance of the Committee. These are published in the Committee's performance report.

States Assembly and Constitution Committee

Summary of Committee Mandate

The States Assembly and Constitution Committee is mandated to advise the States on:

- The constitutions of the States of Deliberation and the States of Election;
- The Rules of Procedure of the States of Deliberation;
- The constitution and operation of States departments and committees;
- The system of election of ministers and members of States departments and States committees;
- Matters relating to the practical functioning of the States of Deliberation and the States of Election including facilities provided for Members of the States;
- Elections to the office of People's Deputy;
- Matters relating to the propriety and conduct of States Members;
- Induction training and on-going support for States Members;
- The general procedures for the timely and efficient management of public business in the States of Deliberation.

The Committee also exercises certain powers and duties conferred on it by extant legislation which includes:

- The Reform (Guernsey) Law, 1948, as amended;
- The States Committees (Constitution and Amendment) (Guernsey) Law, 1991.

2011 Business Plan Policies to fulfil mandate

The Committee's future programme of work includes:

- Reporting to the States on establishing a parliamentary Hansard;
- Reporting to the States on the introduction of simultaneous electronic voting;
- Reviewing and reporting to the States on the possibility of consolidating and extending the Reform (Guernsey) Law, 1948, as amended;
- Reviewing and reporting to the States on the constitution of the States of Election;
- Establishing a parliamentary website in conjunction with the Presiding Officer;
- Putting in place an Induction Programme for States Deputies.

Fit with States Objectives and contribution to cross-departmental working

- The provision of sound Rules of Procedure both for the States of Deliberation and for departments and committees of the States is a mark of a sound parliamentary system and thus maintains and enhances Guernsey's standing in the global community.
- Well-run, open and transparent elections for the office of People's Deputy assist in the promotion of active and engaged citizenship.

Efficiency

- The Committee is not aware of any work to be undertaken by it in support of the Financial Transformation Programme. The Committee only has a nominal budget other than the provision for staff costs and the cost of running elections of People's Deputies.
- Much of the Committee's work is prescribing rules under which the business of the States of Deliberation and States departments and committees is conducted and also prescribing a code regarding the propriety and conducts of States Members. The Committee therefore monitors the application of the rules on an on-going basis.



POLICY COUNCIL
THE STATES OF GUERNSEY

Appendix 2

The States Strategic Monitoring Report 2011

Fiscal and Economic, Social and Environmental Trends



Monitoring performance of the States Strategic Plan; fiscal and economic, social and environmental objectives

Foreword

“The States Strategic Monitoring Report 2011 replaces the Sustainable Guernsey Report, previously published by the Policy Council.

It contains key performance indicators, which are used to objectively assess progress against the aims of the States Strategic Plan (SSP). The indicators, which cover a wide range of topics, are grouped into three chapters; Fiscal and Economic, Social and Environmental. They are organised in this way to align with the three Strategic Policy Plans, which were originally approved by the States in September 2009 (Billet d’État XVIII, July 2009) and are updated annually through the SSP process.

It forms an appendix to the 2011 edition of the States Strategic Plan 2011 and is intended to inform discussions regarding future revisions of the Plan. However, it is also useful as a stand alone document, providing an overview of Guernsey’s key fiscal and economic, social and environmental trends.

The indicators have been refined since the 2009 edition of Sustainable Guernsey and targets or desired trends for each have been defined. The three Policy Groups responsible for the development of the Strategic Policy Plans have endorsed the monitoring framework presented in this report to give an impression of the overall effectiveness of the Strategic Policy in achieving desired results.

The majority of the analysis contained in this report assesses trends ending in 2010 i.e. soon after the States Strategic Plan was first adopted in 2009.”

Deputy Al Brouard, Deputy Mike Garrett and Deputy Shane Langlois,
States Strategic Plan Key Performance Indicator Sub-Group

The photograph of Hanois Lighthouse, Guernsey, used on the cover was kindly provided by Liz Walton.

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1.1 How to use this document

1.1.1 Anatomy of a typical page

The pages of the States Strategic Monitoring Report follow the same format throughout the document. The various parts of a typical page and what they mean are shown below.

KPI summary table

A list of the KPIs presented on this double page, the desired trend and / or target for each KPI and colour coded performance gauges.

Headline box

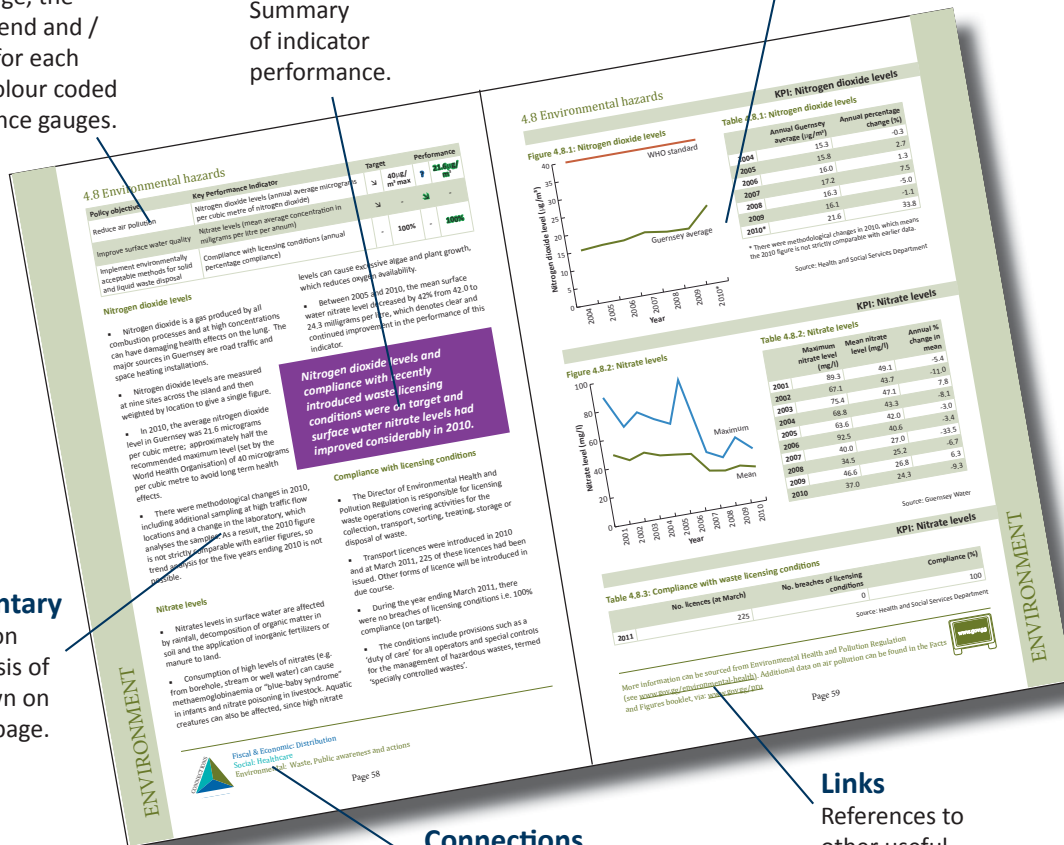
Summary of indicator performance.

Indicator data

Tables and charts containing KPI data and additional useful information.

Commentary

Explanation and analysis of data shown on opposite page.



Connections

References to other related sections of the report.

Links

References to other useful documents and websites.

1.1.2 Key

The desired trends are shown using black arrows (which can be either upward, stable or downward) and targets are presented as text in the tables throughout the document.

The actual performance is presented using the same style of symbols and text, but with colour coding to highlight how performance compares to the desired trend and / or target for that indicator. The colours and symbols used are shown below.

Performance against trend	
On trend	↗ ↘ ↙
Off trend	↗ ↘ ↙
Against trend	↗ ↘ ↙
Insufficient or no data	?
Not applicable	-

Performance against target	
On target	K
Near target	P
Off target	I
Insufficient or no data	?
Not applicable	-

1.2 Executive summary

1.2.1 Key performance indicators

The States Strategic Monitoring Report (SSMR) 2011 brings together three sets of key performance indicators (KPIs), selected to provide an objective overview of progress towards the strategic vision set out in the States Strategic Plan (SSP).

The KPIs were initially drafted in 2009 (presented in the 2009 Sustainable Guernsey Report), but have since been refined. The Fiscal and Economic, Social and Environmental Policy Groups approved the set of KPIs relevant to their areas of policy in early 2011.

The 64 KPIs presented in this report are used to gauge performance of thirty one of thirty three policy objectives identified, where sufficient data was available. Data coverage has improved substantially since 2009, with 51 of the KPIs having sufficient data to enable performance to be gauged.

Specific KPIs could not be defined for just three of the thirty four policy objectives in 2011, since work to identify the most appropriate indicator or means of data collection was ongoing.

The table below contains a summary of the availability of data for each of three sets of agreed KPIs.

Table 1.2.1 KPI data status summary

	Fiscal and Economic	Social	Environmental
KPI with data available	13	16	22
KPI with insufficient / no data	2	9	1
Total KPIs	15	25	23
Policy objective with undefined KPI	1	2	1

1.2.2 Targets and trends

A target and / or desired trend has been agreed by the relevant Policy Group for each of the sixty four KPIs which have been defined.

Where sufficient data was available, 2010 performance has been gauged against the target and / or trend predefined by the Policy Groups (including cases where the target has been set as an aim for a point in the future). Data coverage has been substantially improved since the 2009 report and will continue to improve over the forthcoming years.

It should be noted that the majority of the analysis contained in this report refers to trends ending less than a year after the adoption of the SSP in October 2009. This report is intended to provide a picture of historic performance in the context of the SSP. Future editions of the SSMR will be used to assess the effectiveness of the policies set in the SSP.

Tables 1.2.2 and 1.2.3 summarise the performance against target and / or trend of the three sets of KPIs. Since it was possible for each of the KPIs to have set either a target or a desired trend or both or neither, the totals in those tables does not necessarily sum to the totals given above in **Table 1.2.1**.

1.2 Executive summary

Table 1.2.2 KPI performance against target summary

	Fiscal and Economic	Social	Environmental
On target	6	3	6
Near target	0	0	0
Off target	3	1	7
Insufficient / no data	0	1	0
Total with target defined	9	5	13

Table 1.2.3 KPI performance against trend summary

	Fiscal and Economic	Social	Environmental
On trend	3	9	7
Off trend	1	2	6
Against trend	1	1	0
Insufficient / no data	2	8	2
Total with desired trend defined	7	20	15

1.2.3 Performance summary

Fifteen KPIs were identified to monitor the Fiscal and Economic Policy Plan, nine of which had targets defined. Six were on target and three were off target.

A desired trend was identified for seven of the indicators. Three were on trend, one was off trend (i.e. not moving in the desired direction, but not moving in the opposite direction either) and one was against trend. The remaining two had insufficient data for trend analysis.

There was one further policy objective, which did not have a KPI defined, but is a work in progress. The individual performance of each of the fiscal and economic KPIs is provided on [Page 6](#) and a written summary is provided on [Page 7](#). The data and detailed analysis forms [Section 2](#) of this report.

In order to cover the broad range of topics in the Social Policy Plan, twenty five KPIs have been defined in order to give a picture of performance. There were also two policy objectives with no KPI defined to date.

Five of the Social KPIs had targets defined. The performance of three were on target, one was off target and the other had no data.

Desired trends had been defined for twenty of the Social KPIs. Nine were on trend, two were off trend, one against trend and eight had insufficient data. The individual performance of the social KPIs is provided on [Page 8](#) and a written summary on [Page 9](#). See [Section 3](#) of this report for data and detailed analysis.

The Environmental Policy Plan also covers a wide range of topics and twenty three KPIs were defined. One objective had, as yet, no KPI defined.

Targets were agreed for thirteen of the environmental KPIs; six were on target and seven were off target (due to targets being set in 2011 as goals for the future).

A desired trend was agreed for fifteen of the KPIs (some of which also had targets set). Of these, seven were on trend and six were off trend. None were against trend, but two had insufficient or no data for performance to be gauged. Performance of the individual KPIs is provided on [Page 10](#) and a written summary on [Page 11](#). [Section 4](#) of this report contains data and detailed analysis of the environmental KPIs.

1.3 Fiscal and Economic Key Performance Indicator Summary

Section		Policy objective	Key Performance Indicator	Target		Performance	
2.1	Fiscal Position	Long run fiscal balance: spending within constraints of the Fiscal Framework	Overall budget position: three year moving average [For information - 2010 actual budget position]	-	3yr average ≥£0	-	-£30M* [-£37m]
			Total revenue and capital expenditure	-	≤21% GDP	-	19.1%
		Real term freeze on aggregate States revenue expenditure	Revenue expenditure	-	≤0% growth	-	-0.9%
2.2	Commitment to international standards for tax transparency	Continuing OECD tier one status	OECD tier one status	-	Tier 1	-	Tier 1
2.3	Growth	Average economic growth of 2% or more per annum	Total GDP	↗	≥2% growth	↗	0.0% growth
			GDP per worker	↗	-	↗	-
2.4	Inflation	Stable and low inflation: RPIX 3.0%	RPIX	-	≤3%	-	2.6%
			Unit labour costs	↘	-	→	-
2.5	Employment	Continuing full employment	Total unemployment	-	≤2%	-	1.44%
			Employment rate	↗	-	↘	-
2.6	Markets	Skilled, flexible labour market	Skilled flexible labour market (no KPI)	-	-	-	-
		Well regulated, competitive domestic markets	RPIY	-	< UK RPIY + 0.5 ppts	-	2.4%
2.7	Distribution	Diversified, broadly balanced economy	Distribution of finance sector employees	↗	-	?	-
			Distribution of all employees	↗	-	?	-
			Median average earnings	↗	-	↗	-
2.8	Infrastructure	Modern key strategic infrastructure, public investment averaging 3% of GDP	Investment in public infrastructure: three year moving average	-	3yr average ≥3% GDP	-	2.0%*

* Calculated using budget estimate for 2011.

1.3 Fiscal and Economic Key Performance Indicator Summary

The overall economic performance of Guernsey is good. Performance against targets is positive.

The majority of the KPIs listed opposite were set out in the Fiscal and Economic Policy Plan. Following some further refinement and development, the list was finalised by the Fiscal and Economic Policy Group.

There is good data coverage for the fiscal related KPIs, with just two of them having insufficient trend data for analysis (both of which will have sufficient data from next year onwards). There was one objective with no KPI defined. However, this will be resolved as part of skills strategy development. This summary refers to 2010 performance unless otherwise stated.

States total expenditure as a percentage of Gross Domestic Product (GDP) and revenue expenditure are on target. However, the overall budget surplus / deficit and investment in infrastructure are not.

There is a time lag to the receipt of company tax data which is required for the calculation of GDP figures. Most recent GDP (2010) is therefore calculated using forecasting models constructed by the Policy & Research Unit. The GDP forecast indicates that growth is below the target, but GDP per worker is on trend.

Inflation (based on RPIX) is on target (0.4 percentage points below the target ceiling of 3%). Unit labour costs, which had previously been trending upwards, are more stable.

The unemployment rate is on target, below the ceiling of 2%, and the employment rate is high. However, employment rate figures, which have been regularly available since 2007, indicate a declining trend.

The strategic level objective to achieve well regulated and competitive domestic markets in Guernsey, is being monitored by tracking the RPIY in Guernsey compared to the UK. The RPIY measures price levels with indirect taxes removed. Changes in RPIY indicate underlying price inflation. This indicator was on target, with RPIY inflation in Guernsey being below that of the UK.

In order to monitor the objective of having a diversified, broadly balanced economy, indices have been developed to measure the distribution of employees across the economic sectors. However, comparable data is available for 2009 and 2010 only, so it is not yet possible to gauge the trend.

Newly sourced data on median earnings (of all employees) show the trend in this indicator is in the desired direction, upward.

1.4 Social Key Performance Indicator Summary

Section	Policy objective	Key Performance Indicator	Target	Performance
3.1	Welfare	Meet welfare needs and reduce poverty	Relative poverty	⬇ - ? -
			Children in relative poverty	⬇ - ? -
			Supplementary benefit	- ≥ % change in median earnings - % change in median earnings +0.6ppts
3.2	Housing	Improve housing availability, quality and affordability	Number of residential units	- +300 per annum - ?
			Social rental housing waiting lists	⬇ - ↗ -
			Problems reported with housing quality	⬇ - ? -
			House price to earnings ratio	- Toward average - Away from average
			Rent to earnings ratio	- Toward average - Toward average
3.3	Health	Maintain a healthy society	Life expectancy at 65	- ≥ 20 years - 20.5 years
			Premature death rate	⬇ - ↘ -
			State of health	↗ - ? -
			Obesity	⬇ - → -
			Smoking	⬇ - ↘ -
3.4	Support and safeguard	Support families and safeguard vulnerable people	Drug and alcohol abuse	⬇ - ? -
			Domestic abuse	⬇ - → -
			Child protection	⬇ - ↘ -
			Older people supported to live independently	↗ - ↗ -
3.5	Discrimination	Eliminate discrimination	Discrimination (no KPI)	- - - -
3.6	Crime	Reduce crime and enhance community safety and responsibility	Crime	⬇ - ↘ -
			Rehabilitation	⬇ - ? -
			Fear of crime	⬇ - ? -
3.7	Education and training	Provide education and training	Post 16 participation	↗ - ↗ -
			No qualification	⬇ - ↘ -
			Level 2 qualification	↗ - ↗ -
			Level 3 qualification	→ - → -
3.8	Employment and lifelong learning	Encourage employment and lifelong learning	Workforce participation	↗ - ? -
			Adult education and training (no KPI)	- - - -

1.4 Social Key Performance Indicator Summary

The performance of Guernsey's social indicators is broadly positive, with the majority of the KPIs (where there was sufficient data for performance to be gauged) being on target or trend.

KPIs are not included in the Social Policy Plan. The list opposite has been developed in conjunction with and agreed by the Social Policy Group following some refinements since the 2009 report. There has been considerable improvement in data coverage since 2009. However, nine indicators had insufficient data for performance to be gauged in 2011; a number which is anticipated to decrease over the next three years. Two policy objectives (relating to discrimination and adult education and training) remained with no KPI defined.

This summary of performance refers to 2010 (i.e. based on 2010 figures, or trends ending in 2010) unless otherwise stated.

Some data is available regarding relative poverty, however it is not possible to gauge performance, since there is a lack of comparable time series data. However, the increase in supplementary benefit requirement rates is on target. It increased by 0.6 percentage points more than median earnings in 2010.

The definitive total number of residential units is available for the first time and the annual increase will be reported next year. However, it is not possible to gauge whether the number of housing units is increasing on target this year, nor whether housing quality is improving. Social rental housing waiting lists have increased, which is opposite to the trend desired: this is likely to be a temporary effect, caused principally by the need to rehouse significant numbers of tenants within the existing housing stock before new developments could be built.

The house price to earnings ratio is moving away from the long term average, which is off target. In contrast, the (private) rent price to earnings ratio is moving (on target) towards the long term average.

Health indicators show a downward trend in premature death rates and trend data for life expectancy at 65 is on target. The premature death rate is decreasing as is the proportion of smokers, which are both positive. However, obesity is not decreasing as desired, it is stable. There is insufficient trend data to gauge performance regarding overall state of health.

Data regarding drug and alcohol abuse was unavailable in 2010, but will be available from 2011 onwards. The percentage of reported repeat incidents of domestic abuse are stable, which although not the desired trend is an improvement on the trend seen previously. Trends in numbers of children on the protection register and the proportion of older people who are supported to live independently both showed improving performance.

Total crime level is on trend, decreasing over the five years ending in 2010, but there is insufficient data to gauge the trends for repeat offences or fear of crime.

The four KPIs for education and training, covering student's participation and attainment of qualifications are all on trend.

Workforce participation (in employment or education) is relatively high, but it is not yet possible to gauge whether it is increasing or decreasing, since this is new data for 2010. As mentioned with regard to fiscal and economic KPIs, indicators for education and training of the whole population are under development. Progress on this front will be reported in the next edition.

1.5 Environmental Key Performance Indicator Summary

Section		Policy objective	Key Performance Indicator	Target		Performance	
4.1	Carbon footprint and climate change	Reduce contribution to greenhouse gases and carbon footprint	Total greenhouse gas emissions	↘	-12.5% by 2012	↘	-17.9%
		Adapt to climate change	Climate change adaption strategies implemented	-	100%	-	none
4.2	Waste	Minimise waste generated	Total water consumption	↘	-	→	-
			Total solid household, commercial and industrial waste generated	↘	-	→	-
		Increase reuse and recycling	Household recycling rate	↗	≥50%	↗	45.8%
			Commercial and industrial recycling rate	↗	≥50%	→	40.6%
4.3	Water	Effectively manage water resources	Volume of unaccounted for water	↘	≤550MI	↘	498MI
			Storage level	-	≥95%	-	100%
			Domestic water consumption	↘	-	→	-
4.4	Energy	Use energy sustainably	Total energy supplied to Guernsey consumers	↘	-	→	-
			Proportion of energy derived from nuclear and renewable sources	↗	-	↗	-
4.5	Public awareness and actions	Increase self sufficiency	Area of undeveloped land	-	≥ 88%	-	88.4%
		Increase individuals' understanding and ability to make informed decisions regarding their interaction with the environment	Bus passenger journeys	↗	-	↗	-
			Motor transport fuel imports	↘	-	→	-
4.6	Biodiversity, countryside, marine and coastal	Ensure healthier biodiversity and support specific species and habitats	Area of open natural habitat	-	≥3.8%	-	3.6%
			Area of open natural habitat with protection strategy	-	100%	-	30%
		Retain the distinctive character of Guernsey's farming and countryside heritage	Area of land used by dairy farmers	→	-	→	-
			Total length of hedgebanks	→	-	?	-
4.7	Built environment	Retain the distinctive character of Guernsey's heritage and protect traditional architecture	Protection of buildings and monuments	-	10% per annum	-	none
		Ensure careful and sympathetic application of modern architecture and developments	Area design guidance	-	1 per annum	-	0
		Embrace high environmental and quality standard buildings	Sustainable construction (no KPI)	-	-	-	-
4.8	Environmental hazards	Reduce air pollution	Nitrogen dioxide levels	↘	40µg/m³ max	?	21.6µg/m³
		Improve surface water quality	Nitrate levels	↘	-	↘	-
		Implement environmentally acceptable methods for solid and liquid waste disposal	Compliance with licensing conditions	-	100%	-	100%

1.5 Environmental Key Performance Indicator Summary

Guernsey's environmental indicators show generally good performance, with more of the defined indicators being on target or trend than not.

Since 2009, further clarification has been sought regarding some areas of policy for which KPIs had initially proved difficult to define. The list of indicators summarised on the page opposite, which now cover all the objectives, were agreed by the Environmental Policy Group in 2011. Sufficient trend data was available for the performance of all but two of the KPIs to be gauged. This summary refers to 2010 performance unless otherwise stated.

Greenhouse gas emissions, reduced (on trend) and are on target to meet the target reduction set for 2012 by the Kyoto Protocol (based on the latest figures available, which were for 2009). Work is underway to identify areas most at risk from the effects of climate change. However, adaption strategies are yet to be formalised.

Total water consumption, which is used to indicate waste water output, is stable, as is the trend in total household, commercial and industrial waste generated. The desired trends for these indicators are downward. The household recycling rate is increasing and the commercial and industrial rate is stable. However, both are below the target minimum of 50%.

The indicators for water losses and water storage capacity use are both on target. The former is also on trend. Domestic water consumption is stable, not decreasing as desired.

The newly developed indicators for energy show that the amount of energy supplied to Guernsey consumers is not decreasing as desired (it is stable). However, the proportion of that energy which is derived from nuclear or renewable sources is increasing, which is positive.

The improved indicator for self sufficiency measures the area of undeveloped land (i.e. that which could potentially be used for food production). This area remains above the target minimum, which is based on the area measured in 2008, indicating that potential for self sufficiency (in food production) is not decreasing.

The Environmental Policy Group agreed on two indicators relating to vehicle use to represent individual's understanding and ability to make informed decisions. The trend in bus passenger journeys is upward. However, the trend in motor fuel consumption (used to represent motor vehicle use and fuel efficiency) is stable, rather than decreasing as desired.

The area of open natural habitat, which includes habitat types that are of specific importance to biodiversity, is below the target minimum (based on the area ten years earlier). The other indicator for biodiversity, which highlights the aim to have protection strategies in place for all of this land area is also off target.

Indicators have been developed to give an impression of whether the aim to retain the distinctive character of Guernsey's farming and countryside heritage is being met. Data regarding the area of land used by dairy farmers is stable, on trend. The trend in the total length of hedgebanks, intended to indicate the use of traditional farming methods and "look" of the countryside, can not yet be discerned.

Indicators have also been developed to illustrate whether objectives are being met in the Environmental Policy Plan regarding the built environment. A review of the list of protected buildings has recently begun, but work is not yet underway to perform detailed surveys of buildings shortlisted potentially for inclusion on the list. Islanders will be given the opportunity to contribute to area design guidance, used to inform planning applications, and the outputs of this initiative will be monitored in forthcoming years. Information regarding building regulations indicates that Guernsey regulations, although currently under review, are behind those considered to be best practice in the UK.

Nitrogen dioxide levels (an indicator of air pollution) are on target, below the WHO recommended maximum and nitrate levels (indicating surface water quality) are improving. There was also 100% compliance with waste disposal licensing conditions, indicating good performance regarding objectives for environmental hazards. See [Section 4](#) for more detail on the performance of all these indicators.

2.1 Fiscal Position

Policy objective	Key Performance Indicator	Target		Performance	
Long run fiscal balance: spending within constraints of the Fiscal Framework	Overall budget position: three year moving average (three year moving average of net revenue and capital income and expenditure) [For information - 2010 actual budget position]	-	3yr average $\geq \text{£}0$	-	-£30M (-£37m)
	Total revenue and capital expenditure (total revenue and capital expenditure as percentage of GDP per annum)	-	$\leq 21\%$ GDP	-	19.1%
Real term freeze on aggregate States revenue expenditure	Revenue expenditure (annual percentage change in real revenue expenditure)	-	$\leq 0\%$ growth	-	-0.9%

Overall budget surplus / deficit

- The objective of the Fiscal and Economic Plan is for long run fiscal balance and as such, the target for this KPI is to have a three year average budget position equal to or greater than zero. Previously this KPI covered only the revenue budget, but from 2010 both revenue and capital have been included to give a better overall view of States finances. The actual figure for 2010 is also included for consistency of presentation with the States Accounts.
- In 2010, the three year average was a deficit of £30 million (off target).
- For the year 2010, revenue and capital income were £331 million and £0.4 million respectively.
- Revenue and capital expenditure (based on routine capital expenditure and allocations to the capital reserve) were £330 million and £38 million respectively in 2010.
- This totalled an overall deficit of £37 million in 2010. However, this is within the ceiling for annual operating deficit set at a maximum of 3% of GDP in the Fiscal Framework, which was agreed by the States in April 2009. This ceiling relates to any one individual year, since it is understood that there may be short term imbalances in income and expenditure in order to achieve long run balance.

Total revenue and capital expenditure

- The ceiling for total expenditure i.e. revenue and capital, is set at a maximum of 21% of GDP. As explained in the Fiscal Framework, this was

calculated with reference to the long term level of income of the States in reference to national output

- Based on forecast GDP figures for 2010, total revenue and capital expenditure equalled 19.1% of GDP.
- Figures for expenditure based on actual capital expenditure, rather than allocations to the capital reserve, are included in [Table 2.1.2](#) for information.
- More information regarding GDP and the forecast figures for 2010 is given in [Section 2.3](#).

Revenue expenditure

- The target for revenue expenditure is a real (i.e. after having removed the effects of inflation) terms freeze or annual growth of equal to or less than zero in reflation revenue expenditure.
- In 2010, revenue expenditure was £330 million, which is on target, at 0.9% lower in real terms than 2009.

The States budget was in deficit in 2010, but expenditure was within the target 21% of GDP. Revenue expenditure was 0.9% lower than 2009 in real terms.



2.1 Fiscal Position

KPI: Overall budget surplus / deficit

Figure 2.1.1: Overall budget surplus / deficit

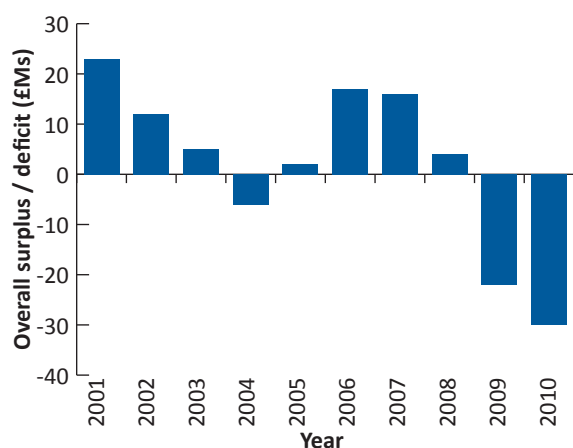


Table 2.1.1: Overall budget surplus / deficit

	Net revenue and capital income and expenditure (£M)	Three year moving average net revenue and capital income and expenditure (£M)
2006	18	17
2007	38	16
2008	-8	4
2009	-19	-22
2010	-37	-30*

* Calculated using budget estimate for 2011.

NB The net figure is based on capital expenditure as presented in the States Accounts i.e. the sum of routine capital expenditure and allocations to the capital reserve

Source: Treasury and Resources Department

KPI: Total revenue and capital expenditure

Figure 2.1.2: Total revenue and capital expenditure as a percentage of GDP

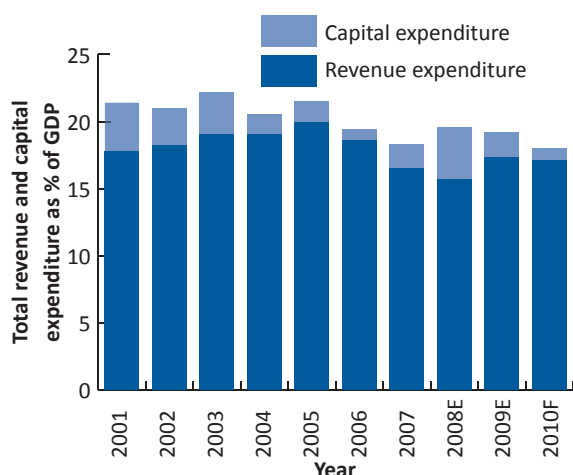


Table 2.1.2: Total revenue and capital expenditure as a percentage of GDP

	Total revenue and capital expenditure (actual) as % of GDP	Total revenue and capital expenditure as % of GDP
2006	21.2	19.4
2007	19.2	18.3
2008E	18.4	19.6
2009E	19.0	19.1
2010F	19.5	19.1

E = Estimated GDP used in calculation

F = Forecast GDP used in calculation

Sources: Treasury and Resources Department, Policy and Research Unit

KPI: Revenue expenditure

Figure 2.1.3: Revenue expenditure (real)

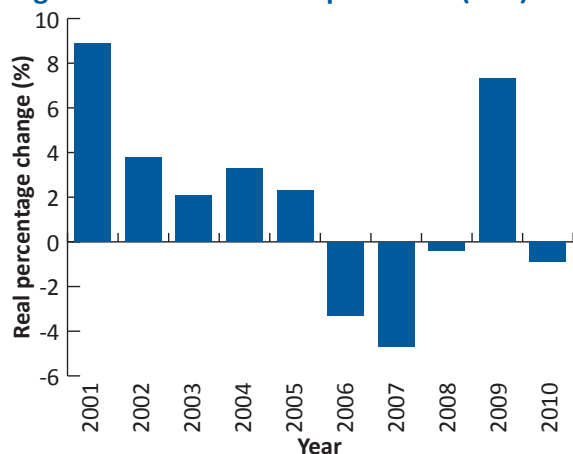


Table 2.1.3: Revenue expenditure (real)

	Real revenue expenditure (£M) 2010 prices	Percentage change in real revenue expenditure (%)
2006	327	-3.3
2007	311	-4.7
2008	310	-0.4
2009	333	7.3
2010	330	-0.9

Source: Treasury and Resources Department

More information can be found in the States of Guernsey Accounts, which are published in the May Billet each year: www.gov.gg/billets.



2.2 Commitment to international standards for tax transparency

Policy objective	Key Performance Indicator	Target		Performance	
Continuing OECD tier one status	OECD tier one status	-	Tier 1	-	Tier 1

Introduction

- The States of Guernsey is committed, as set out in the Fiscal and Economic Plan (published in 2009 and further endorsed in 2010), to meeting the highest international standards of tax transparency. This includes maintaining Guernsey's tier one Organisation for Economic Co-Operation and Development (OECD) status.
- Guernsey's continued OECD tier one status is key to maintaining Guernsey's competitive position and future economic success.
- Since the publication of the Sustainable Guernsey Report in 2009, the Island has underlined its commitment to tax transparency by initiating a move to full automatic exchange of information; successfully undergoing Phase 1 of the OECD's Peer Review process; and signing a further eight Tax Information Exchange Agreements (TIEAs).
- A TIEA is a bilateral agreement that has been negotiated and signed between two countries to establish formal guidelines for the exchange of information relating to taxes.

European Union Savings Directive (EUSD)

- Following the signing of bilateral agreements with all 27 EU Member States, Guernsey introduced a Retention Tax regime, with an option for the depositor to elect for exchange of information with their home jurisdiction.
- From July 2011, Guernsey replaced Retention Tax with full automatic exchange of information, under those equivalent measures adopted by Guernsey relating to EUSD.
- This means that information relating to accounts held in Guernsey by individuals resident in an EU Member State will automatically be sent to their home jurisdiction each year.

OECD Peer Reviews

- The OECD's Global Forum on Transparency and Exchange of Information brings together jurisdictions, including Guernsey, that have made commitments to transparency and exchange of information and have worked together to develop the international standards for transparency and exchange of information in tax matters.
- In September 2009, the Global Forum agreed to initiate a Peer Review Programme to assess how effectively the international standards are being implemented by individual jurisdictions.
- The Peer Review process consists of two phases. Phase 1 assesses the legal and regulatory framework of a jurisdiction against 10 essential elements. Phase 2 of the process focuses on the effectiveness of exchange of information.
- Guernsey underwent its Phase 1 Review during 2010. In January 2011, the Global Forum confirmed that Guernsey had not only followed through its 2002 commitment to observe the OECD principles on transparency and exchange of information for tax purposes, but had also made substantive developments in its exchange of information network.
- The Phase 2 Review is scheduled to take place in 2012.

OECD Global Forum

- The OECD Global Forum publishes reports on international jurisdictions' progress on implementing internationally agreed tax standards.
- In 2009, Guernsey was classified as having tier one status, the criterion for which requires a minimum of twelve signed TIEAs with other jurisdictions to be in place. This is still the case.
- As at 13 May 2011, Guernsey had TIEAs signed with 23 jurisdictions (eight more than at the end of 2009).



2.2 Commitment to international standards for tax transparency

KPI: OECD tier one status

Table 2.2.1: TIEAs signed by Guernsey

Jurisdiction	Date signed	TIEA in force with effect from
Australia	7 October 2009	27 July 2010
Canada	19 January 2011	Not yet in force
China	27 October 2010	Not yet in force
Denmark	28 October 2008	6 June 2009
Faroës	28 October 2008	21 August 2009
Finland	28 October 2008	5 April 2009
France	24 March 2009	4 October 2010
Germany	26 March 2009	Not yet in force
Greece	8 October 2010	Not yet in force
Greenland	28 October 2008	25 April 2009
Iceland	28 October 2008	26 November 2009
Indonesia	27 April 2011	Not yet in force
Ireland	26 March 2009	10 June 2010
Netherlands	25 April 2008	11 April 2009
New Zealand	21 July 2009	8 November 2010
Norway	28 October 2008	8 October 2009
Portugal	9 July 2010	Not yet in force
Romania	17 January 2011	Not yet in force
San Marino	29 September 2010	16 March 2011
South Africa	21 February 2011	Not yet in force
Sweden	28 October 2008	23 December 2009
United Kingdom	20 January 2009	27 November 2009
United States of America	19 September 2002	30 March 2006

Source: External Affairs, Policy Council

Guernsey's Phase 1 peer review report is published at: http://www.oecd.org/document/42/0,3746,en_2649_201185_46894058_1_1_1_1,00.html.

More information can be found on the OECD website: www.oecd.org/tax/progressreport.



2.3 Growth

Policy objective	Key Performance Indicator	Target		Performance	
Average economic growth of 2% or more per annum	Total GDP (real pounds per annum)	↗	≥2% growth	↗	0.0% growth
	GDP per worker (real pounds per worker per annum)	↗	-	↗	-

Total Gross Domestic Product

- Gross Domestic Product (GDP) is calculated as the sum of Island income (wages plus profits and other local income from capital) with accompanying linear adjustments. All reflatd figures are shown at 2010 values.
- Guernsey's GDP growth for 2010 was estimated (by forecast) at 0% in real terms, which is below the target minimum of 2%.
- Total GDP for 2010 was forecast at £1,926 million, which represents a nominal increase (matching inflation) of 2.3% on 2009.
- There is a time lag to the receipt of company tax data which is required for the calculation of GDP figures. Most recent GDP (2010) is therefore calculated using forecasting models constructed by the Policy & Research Unit. The 2010 GDP figure will be superseded by an estimate when sufficient data becomes available.
- More detail on GDP forecasts is available in the Facts and Figures booklet.
- The target of 2% or more annual growth was based on an economic assessment of an appropriate natural rate of growth for a mature, service based economy such as Guernsey. This is a long run average and it should be recognised that during the swings of the economic cycle it may not be practicably achievable in any given year.
- Over the five years ending 2010, growth (noting the inclusion of estimated and forecast figures) has averaged 2.6% per annum and the total increase was 13.5% in real terms over that period, so this indicator is considered to be on trend.

GDP per worker

- GDP per worker is calculated by dividing GDP by the total number of employees and self employed people. It indicates the average output per worker i.e. productivity.
- At present the available data sources do not distinguish between part time and full time workers, so the figures in [Table 2.3.2](#) and below should be considered as approximate. However, the calculations are performed on a consistent basis year on year, so it is possible to evaluate trends.
- In 2010, the GDP per worker was £59,873, which is 0.2% higher than in 2009 and 12.2% higher than in 2005.
- There is no specific target set, as yet, for this indicator in the Fiscal and Economic Plan and until more accurate values of output per worker are calculated it is not believed appropriate to set one.
- However, an upward trend has been defined as the desired direction of travel, so this indicator is on trend.

GDP and GDP per worker increased between 2005 and 2010. However, GDP growth in 2010 was below target.



2.3 Growth

KPI: Total GDP

Figure 2.3.1: Total GDP (real)

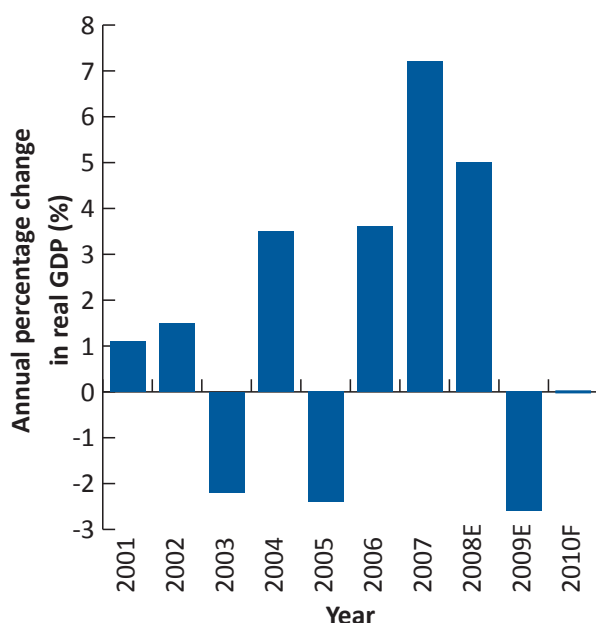


Table 2.3.1: Total GDP (nominal and real)

	Nominal GDP (£M)	Real GDP (£M) 2010 prices	Percentage change in real GDP (%)
2001	1,242	1,692	1.1
2002	1,317	1,718	1.5
2003	1,338	1,681	-2.2
2004	1,453	1,740	3.5
2005	1,465	1,697	-2.4
2006	1,584	1,758	3.6
2007	1,782	1,884	7.2
2008E	1,892	1,978	5.0
2009E	1,884	1,926	-2.6
2010F	1,926	1,926	0.0

E = Estimated GDP
F = Forecast GDP

Source: Policy and Research Unit

KPI: GDP per worker

Figure 2.3.2: GDP per worker (real)

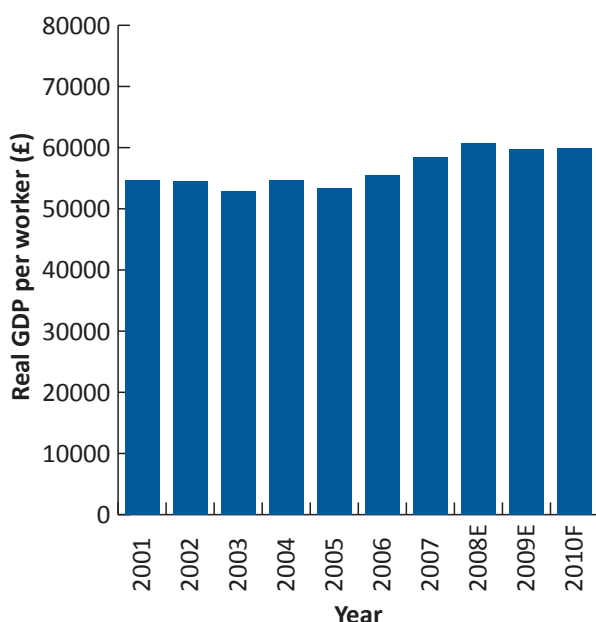


Table 2.3.2 GDP per worker (nominal and real)

	Nominal GDP per worker (£)	Real GDP per worker (£) 2010 prices	Percentage change in real GDP per worker (%)
2001	40,087	54,624	1.1
2002	41,769	54,499	1.5
2003	42,099	52,864	-2.2
2004	45,686	54,699	3.5
2005	46,071	53,380	-2.4
2006	50,013	55,487	3.6
2007	55,313	58,499	7.2
2008E	58,108	60,751	3.9
2009E	58,458	59,777	-1.6
2010F	59,873	59,873	0.2

E = Estimated GDP used in calculation
F = Forecast GDP used in calculation

Sources: Policy and Research Unit, Social Security Department

More information on GDP can be found in the Facts and Figures booklet, which can be accessed via: www.gov.gg/pru.



2.4 Inflation

Policy objective	Key Performance Indicator	Target		Performance	
Stable and low inflation: RPIX 3.0%	RPIX (annual average percentage change)	-	≤3%	-	2.6%
	Unit labour costs (ratio of total labour costs to real output per annum)	↘	-	➔	-

Inflation (RPIX) was on target, but unit labour costs did not show the desired downward trend.

RPIX inflation

- The percentage change in RPIX indicates the change in the cost of goods and services purchased by households, excluding mortgage payments.
- In 2010, the average RPIX was 2.6%, which is below the target maximum of 3.0% set in the Fiscal and Economic Plan.
- Average RPIX has ranged from 2.6% to 5.1% during the five years ending 2010.
- The key contributors to RPIX inflation in the year ending 2010 were rises in prices of fuel, food and drink. However, the increases were at generally lower levels than previous years and there were decreases in prices of clothing and leisure goods, which counteracted the increases to a certain extent.

Unit labour costs

- The unit labour cost (ULC) is a measure of labour productivity. As such it is also a key determinant of domestically generated inflation as labour costs tend to account for around two thirds of business costs.
- ULCs represent the cost of labour used in generating output. A rise in ULCs indicates that wages are rising at a faster rate than output, which could represent a threat to cost competitiveness, if other costs are not adjusted in compensation.

- The ULC index presented in [Figure 2.4.2](#) and [Table 2.4.2](#) has been developed by the Policy and Research Unit. It is based on the OECD methodology and represents the ratio of total wages paid (adjusted to account for the self employed) to GDP.
- In 2010, the ULC index was 3.6% lower than in 2005, which indicates that labour costs decreased relative to output during that period. However, the trend has not been generally downward throughout that period (particularly in the latter years), so the performance has been gauged as stable.



2.4 Inflation

KPI: RPIX

Figure 2.4.1: RPIX and RPI

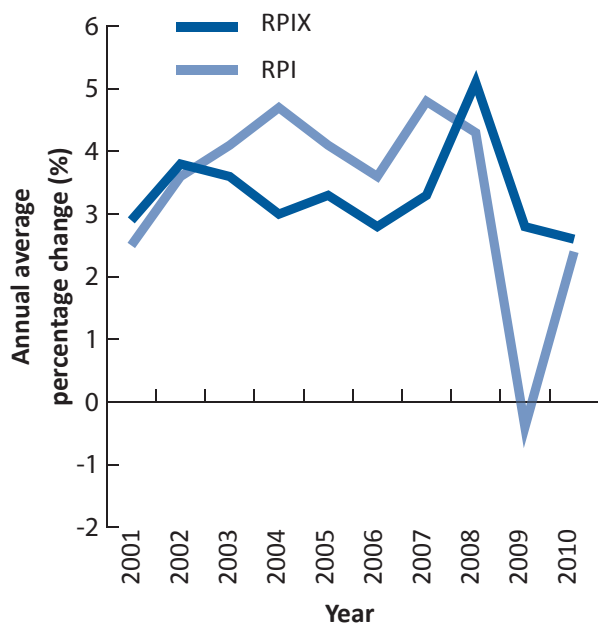


Table 2.4.1: RPIX and RPI

	Annual average percentage change in RPIX (%)	Annual average percentage change in RPI (%)
2001	2.9	2.5
2002	3.8	3.6
2003	3.6	4.1
2004	3.0	4.7
2005	3.3	4.1
2006	2.8	3.6
2007	3.3	4.8
2008	5.1	4.3
2009	2.8	-0.4
2010	2.6	2.4

Source: Policy and Research Unit

KPI: Unit labour costs

Figure 2.4.2: Unit labour costs

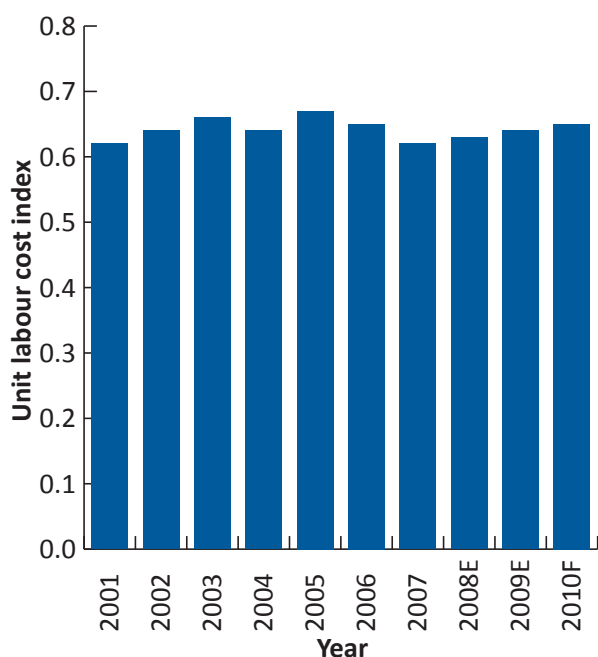


Table 2.4.2: Unit labour costs

	Unit labour cost index	Annual percentage change (%)
2001	0.62	6.7
2002	0.64	2.5
2003	0.66	3.5
2004	0.64	-3.2
2005	0.67	5.0
2006	0.65	-3.6
2007	0.62	-3.8
2008E	0.63	1.0
2009E	0.64	2.6
2010F	0.65	0.3

E = Estimated GDP used in calculation
F = Forecast GDP used in calculation

Source: Policy and Research Unit

More information on RPIX and RPI can be found in the Guernsey Retail Prices Index Quarterly Bulletin, which can be accessed via: www.gov.gg/rpi.



2.5 Employment

Policy objective	Key Performance Indicator	Target		Performance	
Continuing full employment	Total unemployment (number of registered unemployed as percentage of workforce per annum)	-	≤2%	-	1.44%
	Employment rate (number employed as a percentage of working age population)	↗	-	↘	-

Total unemployment

- In 2010, the average total unemployment rate was 1.44%, which is more than double the rate in 2005, but less than the 2% maximum ceiling set in the Fiscal and Economic Plan.
- These figures include all the people registered as unemployed with the Social Security Department.
- The International Labour Office (ILO) definition of being unemployed excludes anybody on a government training scheme (such as the Community and Environmental Projects Scheme) and anybody who carries out at least one hour of paid work in a week (which could be the case for some of those claiming only supplementary benefit as a jobseeker).
- The unemployment rate using the ILO classification was 0.98% in 2010. The figures can be calculated using the ILO definition from 2007 onwards and are provided for information only. The target relates to the total registered unemployed.

Employment rate

- The employment rate is the number of people employed as a percentage of the working age (16 to 64 year old) population.
- The working age population has been calculated since 2007, using Social Security Department headcount data. Comparable figures are not available for earlier years, due to differences in the way population data were sourced.
- In 2010, the employment rate in Guernsey was 75.2%, which is 2.0 percentage points below the rate in 2007.
- More than half of the Guernsey workforce is male and it can be seen in [Table 2.5.2](#) that there was a downward trend in the male employment

rate between 2007 and 2010, which is reflected in the trend in the total rate.

- However, the Guernsey rate was 10 percentage points above the average employment rate for the fifteen members of the European Union (EU-15), which was 65.2% in 2010.
- The countries which make up the EU-15 are Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom.

Unemployment increased to 1.44%, which remains below the target ceiling. The employment rate decreased to 75.2%, but was still ten percentage points higher than the average for the EU-15.



2.5 Employment

KPI: Total unemployment

Figure 2.5.1: Unemployment

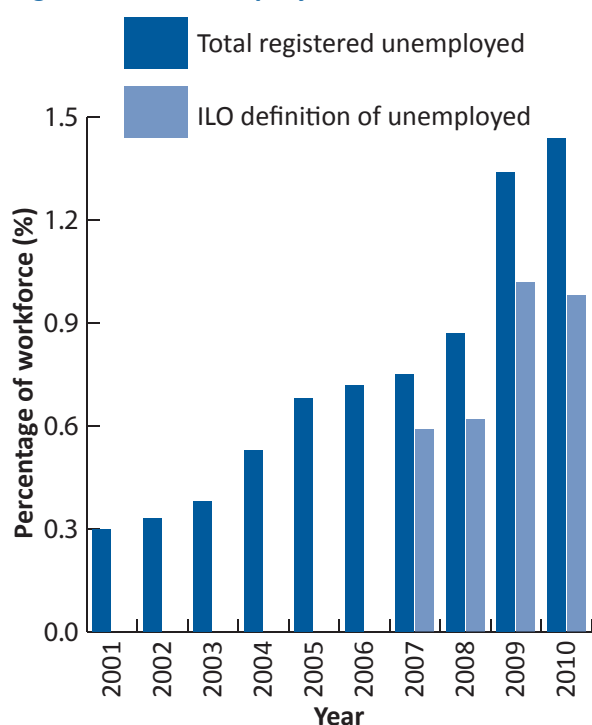


Table 2.5.1: Unemployment

	Registered unemployed (average % of workforce)	ILO definition of unemployed (average % of workforce)
2001	0.30	
2002	0.33	
2003	0.38	
2004	0.53	
2005	0.68	
2006	0.72	
2007	0.75	0.59
2008	0.87	0.62
2009	1.34	1.02
2010	1.44	0.98

NB - These figures are annual averages, so differ from the unemployment figures published by the Social Security Department or in the Labour Market Bulletin.

Source: Social Security Department

KPI: Employment rate

Figure 2.5.2: Employment rate (total at 31st March)

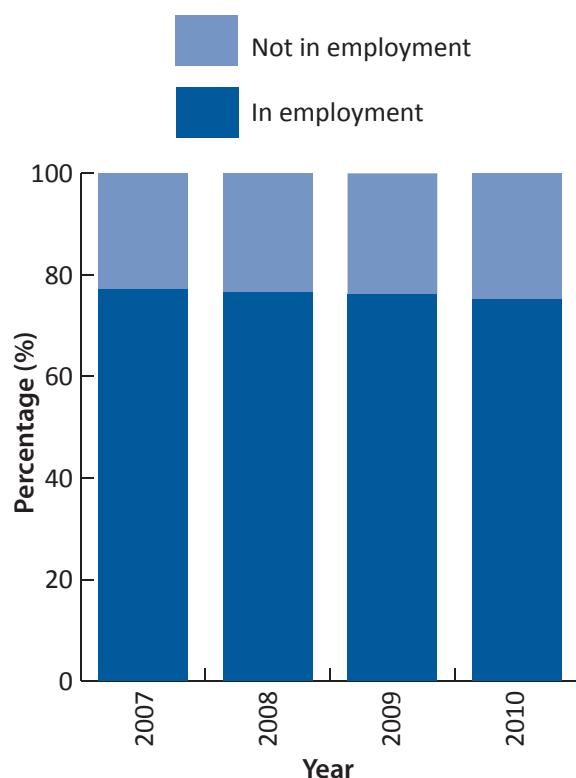


Table 2.5.2: Employment rate (female, male and total at 31st March)

	Female employment rate (%)	Male employment rate (%)	Total employment rate (%)
2007	69.7	84.7	77.2
2008	69.5	83.7	76.6
2009	69.7	82.4	76.1
2010	68.5	81.9	75.2

Source: Social Security Department

More information on employment and unemployment can be found in the Guernsey Labour Market Bulletin, which can be accessed via: www.gov.gg/pru. Population information can be accessed via the same website.



2.6 Markets

Policy objective	Key Performance Indicator	Target		Performance	
Skilled, flexible labour market	Skilled flexible labour market (no KPI)	-	-	-	-
Well regulated, competitive domestic markets	RPIY (annual percentage change)	-	< UK RPIY + 0.5 ppts	-	2.4%

Skilled, flexible labour market

- At present, there are no KPIs to monitor the objective of having a skilled, flexible labour market.
- It is anticipated that KPIs will be developed in order to monitor the progress of the Skills Strategy, which the Skills Strategy Development Group has been tasked with producing. Once finalised, the KPIs can be used within this report.
- The Group comprises of representatives from the private sector, as well as the Commerce and Employment, Social Security and Education Departments.
- The Group has identified the need to improve the information and evidence on Guernsey's skills in the following areas in particular:
 - Gathering information on Guernsey's skills, including obtaining more information on the skills of young people, and those not in work.
 - Gathering information on Guernsey's skills needs. This will include developing a common framework for gathering skills information across all sectors of the Island's economy, and reviewing and consolidating the existing Guernsey Training Agency and Guernsey College of Further Education advisory groups in order to gather reliable skills information.

Regulation and competitiveness

- An objective of the Fiscal and Economic plan is to ensure that a competitive environment is embedded in Guernsey's domestic markets.
- Competition amongst firms acts as a spur to innovation and provides downward pressure on prices and hence, as a general rule, competition should always be encouraged, since it brings economic and social benefits. Notwithstanding,

it is accepted that due to the small scale of Guernsey's economy, there are areas where natural monopolies exist and competition is not possible.

- The legislative and regulatory environment is designed to achieve the fullest economic benefits of competition but with acknowledgement that competition on a small island will not always be possible.
- One of the best indicators of the degree of a lack of competitive pressures in Guernsey is the 'wedge' between UK and Guernsey inflation. Guernsey's inflation rate is persistently higher than that of the UK suggesting that local retailers encounter less resistance to price increases.
- Underlying inflation, as measured by the RPIY, in Guernsey and the UK are shown in [Table 2.6.1](#). The RPIY is a measure of price levels excluding indirect taxes and mortgage interest payments. This measure indicates how underlying price levels are changing "ignoring" the effects of changes to indirect taxes or interest rates on prices.
- The average RPIY increase for 2010 was 2.4%, 1.2 percentage points lower than the UK.

Underlying inflation in Guernsey was 1.2 percentage points less than in the UK.



2.6 Markets

KPI: RPIY

Table 2.6.1: RPIY (Guernsey and UK)

	Annual average percentage change in Guernsey RPIY (%)	Annual average percentage change in UK RPIY (%)	Difference between Guernsey and UK annual average percentage change in RPIY (ppts)
2009	2.6	2.7	-0.1
2010	2.4	3.6	-1.2

Source: Policy and Research Unit and UK Office for National Statistics



2.7 Distribution

Policy objective	Key Performance Indicator	Target		Performance	
Diversified, broadly balanced economy	Distribution of finance sector employees (distribution of finance sector employees as percentage of maximum possible)	↗	-	?	-
	Distribution of all employees (distribution of all sector employees as percentage of maximum possible)	↗	-	?	-
	Median earnings (real pounds per annum)	↗	-	↗	-

Distribution of finance sector and all employees

- The measure used in [Table 2.7.1](#) and [Table 2.7.2](#) indicates the distribution of workers (employed and self employed) between economic sectors. The figures are presented as a percentage of the maximum possible to show the relative distributions.
- If the employment market was completely specialised (i.e. all workers work in a single sector) the distribution would score 0%.
- The maximum value of 100% represents an even distribution of workers across all sectors.
- Due to the economic sector codes having been revised in 2008 it is only possible to accurately calculate these figures from 2009 onwards, so trend analysis is not yet possible.
- The distribution of workers across different sub sectors of the finance industry scored 73.0% in 2010. This implies that workers were well distributed across the different areas of finance work.
- The distribution of all Guernsey workers achieved a score of 79.8% in 2010, implying that the Guernsey workforce was well distributed across the sectors.
- Please see the [Guernsey Labour Market Bulletin](#) (via www.gov.gg/pru) for more information on employment by sector.

Real median earnings showed a generally upward trend over the five years ending 2010.

Median earnings

- [Table 2.7.3](#) and [Figure 2.7.1](#) show the median earnings per annum of all employees (i.e. the data includes both full and part time employees). This is the first year in which this data has been published.
- Data is not currently available to allow the calculation of median earnings for full time employees only.
- In 2010, the median was £27,430, which was 3.5% higher in real terms than in 2005 albeit 0.8% lower than 2009.
- The direction of travel of this indicator was generally upwards (on trend) over the five years ending 2010.



2.7 Distribution

KPI: Distribution of finance sector employees

Table 2.7.1: Distribution of finance sector employees

Distribution (% of maximum possible)	
2009	73.1
2010	73.0

Source: Policy and Research Unit

KPI: Distribution of all employees

Table 2.7.2: Distribution of all employees

Distribution (% of maximum possible)	
2009	79.7
2010	79.8

Source: Policy and Research Unit

KPI: Median earnings

Figure 2.7.1: Median earnings (real)

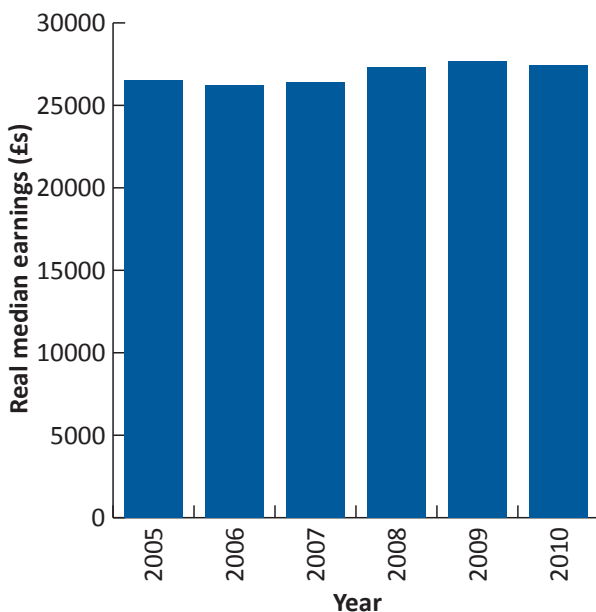


Table 2.7.3: Median earnings (nominal and real)

	Nominal median earnings (£s)	Real median earnings (£s) 2010 prices	Annual percentage change in real median earnings (%)
2005	22,880	26,510	
2006	23,660	26,250	-1.0
2007	24,960	26,398	0.6
2008	26,130	27,319	3.5
2009	27,040	27,650	1.2
2010	27,430	27,430	-0.8

Source: Policy and Research Unit

More information on employment by sector can be found in the Guernsey Labour Market Bulletin, which can be accessed via: www.gov.gg/pru.



2.8 Infrastructure

Policy objective	Key Performance Indicator	Target		Performance	
Modern key strategic infrastructure, public investment averaging 3% of GDP	Investment in public infrastructure: three year moving average (three year moving average percentage of GDP invested in infrastructure)	-	3yr average $\geq 3\%$ GDP	-	2.0%

Investment in public infrastructure

- Investment in public infrastructure (based on a three year moving average of routine capital expenditure plus non routine capital expenditure, as defined by the Treasury and Resources Department in the States Annual Accounts i.e. allocations to the Capital Reserve) equalled 2.0% of GDP in 2010.
- The target set for this indicator in the Fiscal and Economic Plan is for investment to equal a minimum of 3% of GDP each year.
- During the ten years ending in 2010, investment exceeded 3% of GDP in three of the years; 2001, 2003 and 2008. The average for the whole period was 2.3%.
- Routine capital expenditure includes the purchase and maintenance of equipment, machinery and vehicles, small IT projects and minor improvements to the States' properties.
- Non routine capital expenditure is funded from the Capital Reserve and in 2010, included projects such as redeveloping Les Beaucamps High School and the Hospital Clinical Block development. It should be noted that allocations to the capital reserve do not equal actual non routine expenditure, which can vary significantly from year to year.

Investment in public infrastructure has averaged below the target of 3% of GDP.



2.8 Infrastructure

KPI: Investment in public infrastructure

Figure 2.8.1: Percentage of GDP invested in public infrastructure

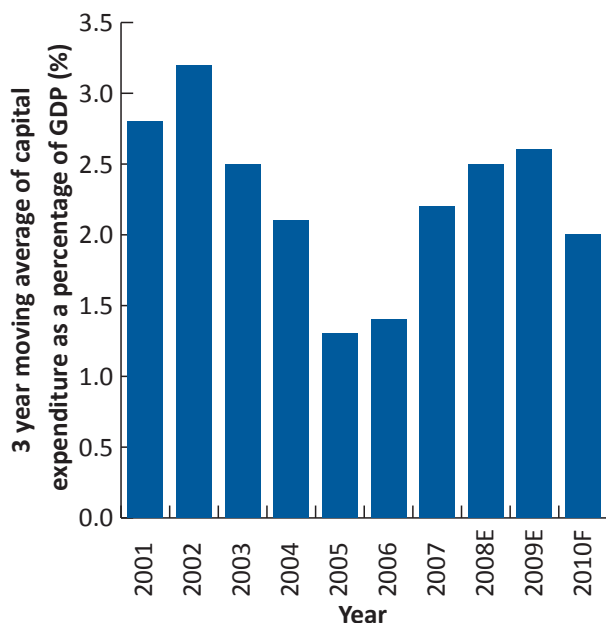


Table 2.8.1: Percentage of GDP invested in public infrastructure

	Capital expenditure (as % of GDP)	Three year moving average capital expenditure (as % of GDP)
2001	3.6	2.8
2002	2.8	3.2
2003	3.2	2.5
2004	1.5	2.1
2005	1.6	1.3
2006	0.8	1.4
2007	1.8	2.2
2008E	3.9	2.5
2009E	1.9	2.6
2010F	2.0	2.0

E = Estimated GDP used in calculation

F = Forecast GDP and expenditure used in calculation

Source: Treasury and Resources Department, Policy and Research Unit

3.1 Welfare

Policy objective	Key Performance Indicator	Target		Performance	
Meet welfare needs and reduce poverty	Relative poverty (percentage of surveyed people living in households with an income below 60% of median income)	↘	-	?	-
	Children in relative poverty (percentage of surveyed children living in households with an income below 60% of median income)	↘	-	?	-
	Supplementary benefit (annual percentage change in requirement rates)	-	≥ % change in median earnings	-	% change in median earnings +0.6pppts

Relative poverty

- The results of the 2005/06 Household Expenditure Survey indicated that 16.6% of respondents lived in households with an income below 60% of median income, which is the European standard indicator of relative poverty. The calculations are made using equivalised incomes and are based on un-weighted sample data. See [Table 3.1.1](#).
- 11.1% lived in households with an income below 50% of median income and 7.6% lived in households with an income below 40% of median income. This gives an indication of how steeply the income distribution tails off below the 60% mark, i.e. the depth of poverty.

Children in relative poverty

- The Survey results also indicated that 18.0% of children lived in households with an income below 60% of median income ([Table 3.1.2](#)).
- The intention is to track trends in these figures as more comparable data becomes available in the future.

Supplementary benefit

- Supplementary benefit is available to households with an income below the level which the States decide is the minimum amount needed. This minimum amount is called the requirement rate.
- Requirement rates are reviewed annually, in recent years having matched or marginally exceeded the level of RPI inflation. RPIX is now the main reference point.
- The Social Policy Group reviewed this KPI in 2011 and decided that the target should be for the increase in requirement rates to equal or exceed the change in median earnings. The revised target is intended to better reflect progress against the objective of reducing relative poverty, since relative poverty will increase if changes in requirement rates do not match changes in earnings.
- In 2010, supplementary benefit requirement rates increased by 2%, which was (on target) 0.6 percentage points greater than the nominal increase in median earnings.

The supplementary benefit rate increased (on target) by 0.6 percentage points more than median earnings in 2010.



3.1 Welfare

KPI: Relative poverty

Table 3.1.1: Relative poverty (percentage of people living in households with less than 60%, 50% and 40% of median income)

	People (as % of total surveyed)
Households with less than 60% median income	16.6
Households with less than 50% median income	11.1
Households with less than 40% median income	7.6

Source: Policy and Research Unit, Household Expenditure Survey 2005/06

KPI: Children in relative poverty

Table 3.1.2: Children in relative poverty (percentage of children living in households with less than 60%, 50% and 40% of median income)

	Children (as % of total surveyed)
Households with less than 60% median income	18.0
Households with less than 50% median income	11.2
Households with less than 40% median income	7.6

Source: Policy and Research Unit, Household Expenditure Survey 2005/06

KPI: Supplementary benefit

Figure 3.1.1: Supplementary benefit requirement rates and median earnings

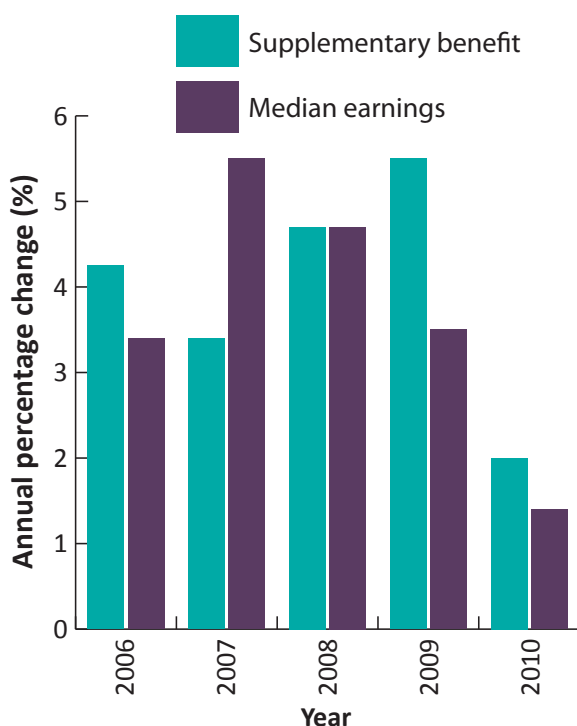


Table 3.1.3: Supplementary benefit requirement rates and median earnings

	Percentage change in supplementary benefit requirement rates (%)	Percentage change in nominal median earnings (%)	Difference (percentage points)
2006	4.3	3.4	0.9
2007	3.4	5.5	-2.1
2008	4.7	4.7	0.0
2009	5.5	3.5	2.0
2010	2.0	1.4	0.6

Source: Social Security Department, Policy and Research Unit

More information on benefits and the Social Security Department can be accessed via: www.gov.gg/socialsecurity. Inflation figures and forecasts are published on www.gov.gg/pru.



3.2 Housing

Policy objective	Key Performance Indicator	Target		Performance	
Improve housing availability, quality and affordability	Number of residential units (annual change in total number)	-	+300 per annum	-	?
	Social rental housing waiting lists (total number of households on waiting list for social rental housing)	↘	-	↗	-
	Problems reported with housing quality (percentage of surveyed households experiencing serious problems regarding the quality of their housing)	↘	-	?	-
	House price to earnings ratio (mix adjusted house price to median earnings ratio)	-	Toward average	-	Away from average
	Rent to earnings ratio (mix adjusted annual rent price to median earnings ratio)	-	Toward average	-	Toward average

Housing availability

- New information on the Island's housing stock has been available since the end of December 2010, when the total number of housing units was 25,277.
- Of those units, 24,175 were Local Market and 1,602 were Open Market Part A. From the end of 2011 onward it will be possible to accurately monitor the annual change in the number of additional housing units.

Social rental housing

- In 2010, 204 households were on the Housing Department waiting list and 156 were on the Guernsey Housing Association (GHA) waiting list for social rental housing; a total of 360 compared to 339 in 2009 and 210 in 2007 (see [Table 3.2.2](#)).
- The two separate waiting lists have different acceptance criteria for applications. Applicants can not appear on both lists simultaneously.
- The Housing Department waiting list almost doubled in 2009. This resulted primarily from pre-existing tenants having been relocated (to accommodation that otherwise would have been available to applicants on the waiting list) to enable the redevelopment of the Grand Bouet.
- In recent years, higher demand for one and two bedroom units from the GHA and Housing Department respectively has also affected waiting lists. Historically, there had been less requirement for social housing units of that size, which was

reflected in the stock of units provided (and currently available).

- Development of 175 new mixed size accommodation units, which is due to begin in 2011, is expected to reduce both waiting lists.

Problems with housing quality

- 10.4% of people surveyed in the 2006 Housing Needs Survey identified at least one serious problem with the quality of their housing. The Housing Needs Survey is repeated at five yearly intervals, which will enable trends to be evaluated.

Purchase price and rent to earnings ratios

- Mix adjusted purchase and annual rent prices are compared to median earnings in order to gauge changes in the affordability of housing relative to earnings over time.
- The average purchase price to rent ratio showed a generally upward trend between 2001 and 2010. The average over that period was 12.9.
- In 2010, the ratio of purchase prices to earnings was 14.7, which is 0.6 percentage points higher than in 2009, when it was 14.1 i.e. it moved away from the average.
- The rent to earnings ratio, which has shown a generally downward trend, averaged 0.58 over the years 2001 to 2010. Between 2009 and 2010, it moved (as desired) toward the average.



3.2 Housing

KPI: Number of residential units

Table 3.2.1: Number of residential units (at 31st December)

	No. local market units	No. open market units	Total no. units
2010	24,175	1,602	25,777

Source: Policy and Research Unit

KPI: Social rental housing waiting lists

Figure 3.2.1: Social rental housing waiting lists (at 31st December)

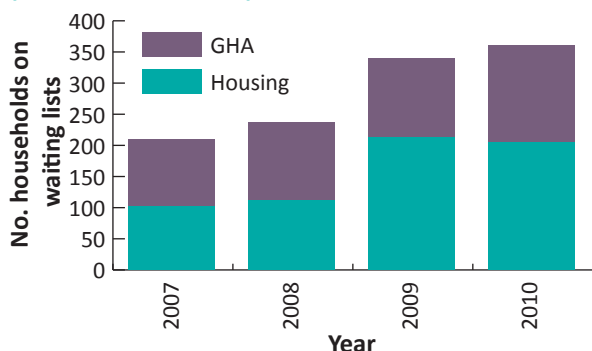


Table 3.2.2: Social rental housing waiting lists (at 31st December)

	No. households on social rental housing waiting lists		No. households moved off social rental housing waiting lists	
	Housing	GHA	Housing	GHA
2007	102	108	88	6
2008	111	126	74	8
2009	212	127	72	27
2010	204	156	54	13

Source: Housing Department, Guernsey Housing Association (GHA)

KPI: Problems reported with housing quality

Table 3.2.3: Problems reported with housing quality

	At least one serious problem reported (% of respondents)
2006	10.4

Source: Housing Department, Housing Needs Survey 2006

KPIs: Purchase price to earnings ratio and rent to earnings ratio

Figure 3.2.2: Purchase price to earnings and rent to earnings ratios

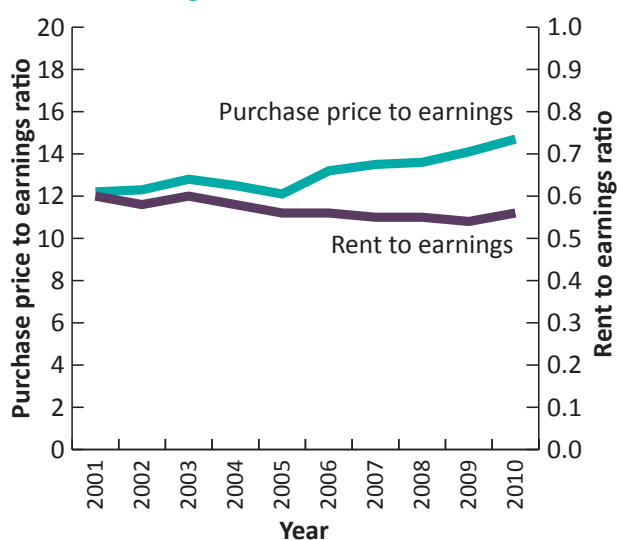


Table 3.2.4: Purchase price to earnings and rent to earnings ratios

	Purchase price to earnings ratio	Annual rent to earnings ratio
2001	12.2	0.60
2002	12.3	0.58
2003	12.8	0.60
2004	12.5	0.58
2005	12.1	0.56
2006	13.2	0.56
2007	13.5	0.55
2008	13.6	0.55
2009	14.1	0.54
2010	14.7	0.56

Source: Policy and Research Unit

More detail on the Island's housing stock and quarterly information on property prices is available via the web page www.gov.gg/property.
Information on social rental housing is available via www.gha.gg and www.gov.gg/housing.



3.3 Health

Policy objective	Key Performance Indicator	Target		Performance	
Maintain a healthy society	Life expectancy at 65 (rolling three year average)	-	≥ 20 years	-	20.5 years
	Premature death rate (rolling three year average of deaths at under 75 years of age as a percentage of total deaths)	↘	-	↗	-
	State of health (percentage of people surveyed reporting good or very good health)	↗	-	?	-
	Obesity (percentage of surveyed adults classified as obese)	↘	-	→	-
	Smoking (percentage of surveyed adults who self-identified as smokers)	↘	-	↗	-

Life expectancy at 65

- Life expectancy at 65 is an estimate (for a specific period in time) of the average number of years a 65 year old would survive if he or she experienced the age-specific mortality rates of that period.
- Guernsey's life expectancy at 65 was 20.5 years over the years 2008 to 2010. This is above the target minimum of 20 years and is slightly higher than the years 2007 to 2009, when it was 20.1 years.

Life expectancy in Guernsey remains good and the premature death rate and the proportion of smokers have improved. However, the proportion of people classified as obese has not improved.

Premature death rate

- The premature death rate showed a downward (i.e. improved) trend over the five years ending 2010.
- The 2008 to 2010 figure indicates that 28.1% of the deaths during that period were of people aged under 75 years old.

State of health

- The Healthy Lifestyle Survey contains questions on mobility, self-care, usual activities, pain / discomfort and anxiety / depression. An overall health state score (EQ5D) is calculated from the responses to those five questions.
- The percentage of surveyed people reporting a good or very good health state score was lower in 2008 than 2003. However, since there are only two data points, it is not possible to reliably determine whether this indicates a downward trend.

Obesity

- A body mass index (BMI) can be calculated by taking weight (in kilograms) and dividing it by height (in metres) squared. The index value can be used to categorise a person's weight. A BMI of over 30 for men and 28.5 for women is categorised as obese.
- The information presented in [Table 3.3.3](#) and [Figure 3.3.2](#) is calculated from heights and weights self-reported by respondents to the Healthy Lifestyle Survey.
- The percentage of people categorised as "obese" increased between 1988 and 1998, but has remained relatively stable since then. In 2008, 21% of people surveyed were categorised as obese.

Smoking

- The Healthy Lifestyle Survey also records the number people who report being a smoker. The trend in the proportion of smokers has decreased since 1988, to 16% in 2008.



Fiscal & Economic: Fiscal position

Social: Welfare, Housing, Support and safeguard, Education and training

Environmental: Environmental hazards

3.3 Health

KPI: Life expectancy at 65

Table 3.3.1: Life expectancy at 65

	Male average (years)	Female average (years)	Overall average (years)
2006-2008	18.4	21.5	20.1
2007-2009	18.4	21.6	20.1
2008-2010	18.9	21.7	20.5

Source: Health and Social Services Department

KPI: Premature death rate

Figure 3.3.1: Premature death rate

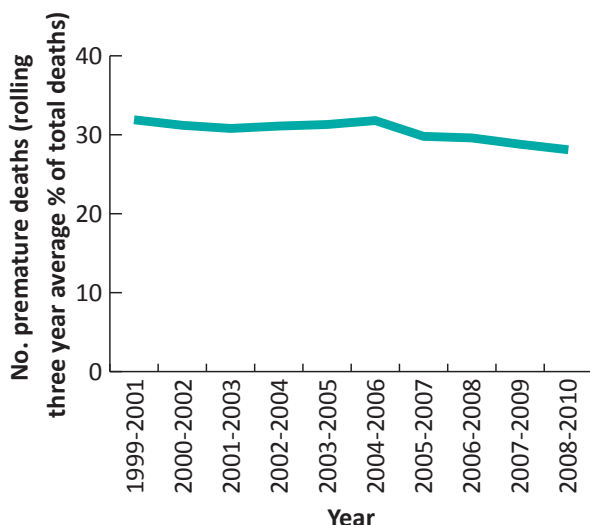


Table 3.3.2: Premature death rate

	No. premature deaths (rolling three year average % of total deaths)
1999-2001	31.9
2000-2002	31.2
2001-2003	30.8
2002-2004	31.1
2003-2005	31.3
2004-2006	31.8
2005-2007	29.8
2006-2008	29.6
2007-2009	28.8
2008-2010	28.1

Source: Health and Social Services Department

KPIs: State of health, obesity and smoking

Figure 3.3.2: State of health, obesity and smoking

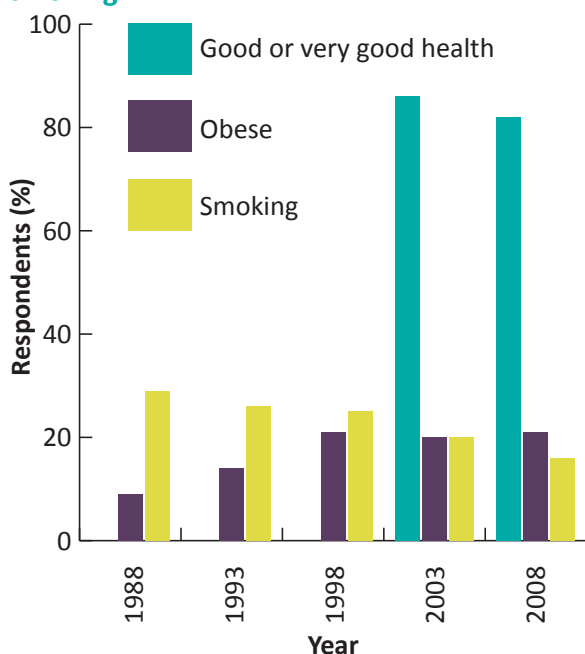


Table 3.3.3: State of health, obesity and smoking

	Good or very good health (% of respondents)	Obese (% of respondents)	Self-identified smoker (% of respondents)
1988	-	9	29
1993	-	14	26
1998	-	21	25
2003	86	20	20
2008	82	21	16

Source: Health and Social Services Department, Directorate of Public Health, Guernsey Healthy Lifestyle Surveys 1988 - 2008

Some further information on health statistics and health in Guernsey can be found in the Annual Medical Officer of Health Reports via www.guernseyhealth.org.gg.



3.4 Support and safeguard

Policy objective	Key Performance Indicator	Target		Performance	
Support families and safeguard vulnerable people	Drug and alcohol abuse (alcohol-attributable hospital admissions per 100,000 population)	↘	-	?	-
	Domestic abuse (repeat incidents as percentage of all domestic abuse incidents reported to the police)	↘	-	→	-
	Child protection (number of children who have been registered on the child protection register for over 12 months per 1,000 under 18 population)	↘	-	↘	-
	Older people supported to live independently (number of people over 55 who are supported to live independently as a percentage of all people over 55 receiving care and support)	↗	-	↗	-

Drug and alcohol abuse

- Due to changes in Health and Social Services Department computer systems, this data was unavailable at the time of publication. It will be available for the year 2011 onward.

Domestic abuse

- The percentage of domestic abuse cases reported which were repeat incidents (where the same victim reported abuse more than once) was 37.6% in 2010.
- This percentage is in the same region as the figures for 2006 and 2007, suggesting that the trend is stable. Comparable data for 2008 and 2009 was unavailable at the time of publication.
- The aim is to reduce the percentage of reported repeat incidents in the short and longer term.
- The total number of incidents of domestic abuse reported in the Island increased by 112% between 2004 and 2008. It is suggested that this increase may have been due to an increase in publicity and public awareness of domestic abuse issues. The total number reduced in 2009 and 2010.

Children protection

- In 2010, the average number of children on the register who had been registered for over twelve months was 0.34 per 1,000 people aged under 18.
- This was higher than in 2009, when the figure was 0.10, but less than half of the figure in 2006.
- Due to low numbers involved, these figures can fluctuate. The trend is gauged (using a simple moving average) as being generally downward, which is the desired direction of travel.

Older people supported to live independently

- Services and specialised housing to support independent living are available for people from the age of 55. In March 2011, of all the people aged 55 and over who received care and support in care homes, in their own homes or in specialised social housing, 57% were supported to live independently.
- The proportion supported to live independently was higher in 2011 than in 2009, but similar to 2010. Based on the three years worth of data available the trend appears to be tending upwards.

Trends in children on the protection register showed improvement over the five years ending in 2010. The proportion of older people supported to live independently also improved and the number of repeat domestic abuse incidents remained stable.



Fiscal & Economic: Fiscal position
 Social: Healthcare, Welfare, Crime, Education
 Environmental: Built environment

3.4 Support and safeguard

KPI: Drug and alcohol abuse

Table 3.4.1: Drug and alcohol abuse

No. alcohol-attributable hospital admissions per 100,000 population	
2010	data unavailable

Source: Health and Social Services Department

KPI: Domestic abuse

Figure 3.4.1: Domestic abuse

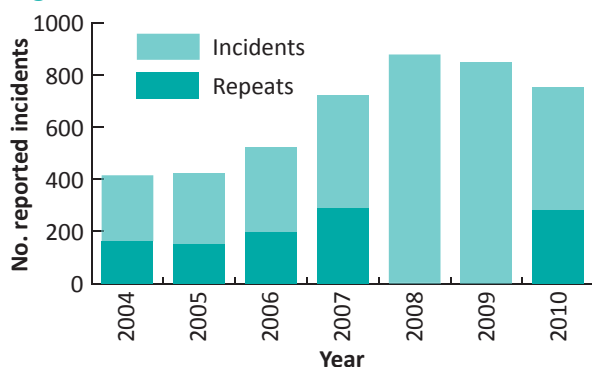


Table 3.4.2: Domestic abuse

	Total no. incidents reported	No. repeat incidents reported	Percentage repeats (%)
2006	523	197	37.7
2007	723	290	40.1
2008	878	-	-
2009	847	-	-
2010	752	283	37.6

Source: Guernsey Police

KPI: Child protection

Figure 3.4.2: Child protection

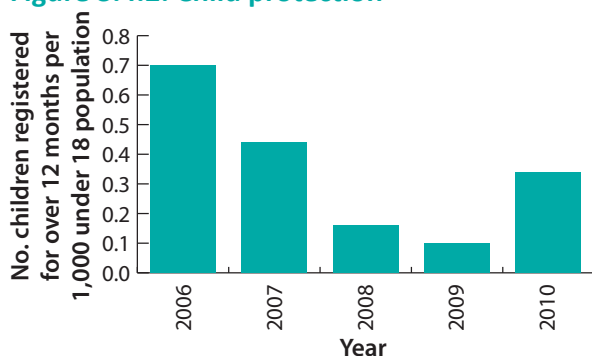


Table 3.4.3: Child protection

No. children registered for over 12 months per 1,000 under 18 population	
2006	0.70
2007	0.44
2008	0.16
2009	0.10
2010	0.34

Source: Child Protection Unit

KPI: Older people supported to live independently

Figure 3.4.3: Support for older people (at 31st March)

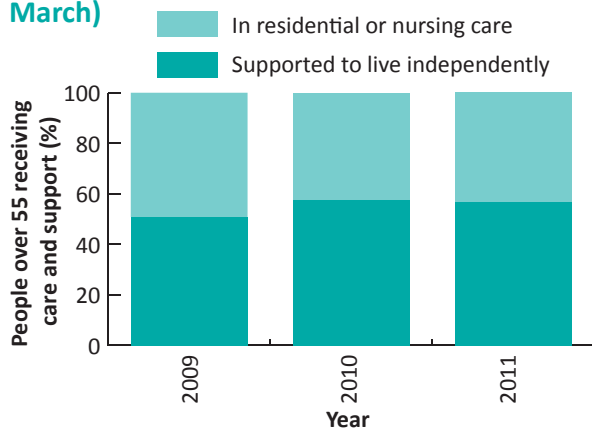


Table 3.4.4: Support for older people (at 31st March)

	No. people over 55 receiving care and support	Percentage supported to live independently (%)
2009	818	50.8
2010	859	57.4
2011	862	56.7

Source: Health and Social Services Department

3.5 Discrimination

Policy objective	Key Performance Indicator	Target		Performance	
Eliminate discrimination	Discrimination (no KPI)	-	-	-	-

Discrimination

Guernsey currently has in place the Prevention of Discrimination (Enabling Provisions) (Bailiwick of Guernsey) Law, 2004, which is the overarching legislation necessary to deal with any form of discrimination. However, underlying pieces of legislation relating to individual areas of discrimination, are still required in many areas. At present, the only legislation that exists is in relation to employment, protecting people in the workplace who are discriminated against on the grounds of sex, marital status or gender reassignment.

While there is currently no legislation beneath the overarching Enabling Provisions to tackle discrimination on the grounds of race, disability, sexual orientation or religion (or sex discrimination and gender reassignment outside of the workplace) work on many of these areas is underway. For example, the States has agreed to seek extension of the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and work on this has been advanced. A disability officer was appointed in 2010 to start work on a disability strategy which will include investigating whether the UN Convention on the Rights of Persons with Disabilities should be adopted.

It is hoped that a social (or omnibus style) survey will be carried out in the future, including questions asking people if they feel that they have suffered discrimination on any of the grounds mentioned above. This discrimination might relate to the provision of health and social care, housing, justice and the legal system, learning and training, services and transport or in relation to incidents of hate crime and harassment.

The data collected via the survey would be used to inform the improvement of local responses to discrimination where they arise as well as providing key performance indicator data.

KPIs for this objective will be developed when data regarding discrimination becomes available.



More information on discrimination and human rights can be accessed via the following websites:

www.equalityhumanrights.com

www.un.org/womenwatch/daw/cedaw

www.un.org/disabilities/convention/conventionfull.shtml.



3.6 Crime

Policy objective	Key Performance Indicator	Target		Performance	
Reduce crime and enhance community safety and responsibility	Crime (total number of crimes reported)	↘	-	↘	-
	Rehabilitation (percentage of offenders who re-offend within 2 years)	↘	-	?	-
	Fear of crime (percentage of people surveyed feeling unsafe when walking after dark)	↘	-	?	-

Crime

- The total number of offences reported has shown a general downward trend (total 25% reduction) over the five year period ending 2010.
- The above reduction includes a 41% drop in reported drug offences and a 32% drop in reported criminal damage. Reported offences only increased in one area, shoplifting (a subsection of theft), which increased by 63%.
- Of all of the reported offences in 2010, 30.6% were 'detected crimes', meaning an offender was charged, summonsed or cautioned, admitted to the crime, or there was enough evidence to provide a realistic prospect of conviction.

Repeat offences

- Determining who is likely to be reconvicted is not an exact science and draws on a large number of social, dynamic and static factors including: criminal history, gender, age, personal and social circumstances. The data shown here should not, therefore, be used to draw absolute conclusions. It is also important to note that the actual sentence imposed may be more related to the circumstances of the offence rather than the likelihood of reoffending.
- Data compiled is used here to indicate the proportion of convicted offenders who are convicted of another offence within two years (see [Table 3.6.2](#)). It is important to note that the data refers only to convicted offenders who were sentenced to Community Service, custody and/ or those referred to the Probation Service for supervision.
- The data is based on a sample of the data held by the Home Department and its constituent

Services. It is anticipated that more detailed reporting will be facilitated in the future through the Criminal Justice Strategy, which is presently under development.

Fear of Crime

- The Community Safety Survey was relaunched in 2010 and will be conducted by the Home Department every two years. The original 2007 Survey was redesigned for 2010. Whilst some questions are comparable across the two surveys, there were significant methodological differences. [Figure 3.6.2](#) and [Table 3.6.3](#) are included for information but should not be used to gauge the actual trend in fear of crime. Repeat runs of the 2010 Survey in the future will facilitate meaningful trend analysis.
- Fear of crime relates to how fearful people are of becoming a victim of an offence and this does not always directly correlate with the actual level of crime. A multitude of variables can contribute to people's fear of crime or perception of its occurrence including media reporting, word of mouth and general misconceptions as well as first hand experience.

Total crime decreased by 25% over the five years ending in 2010.

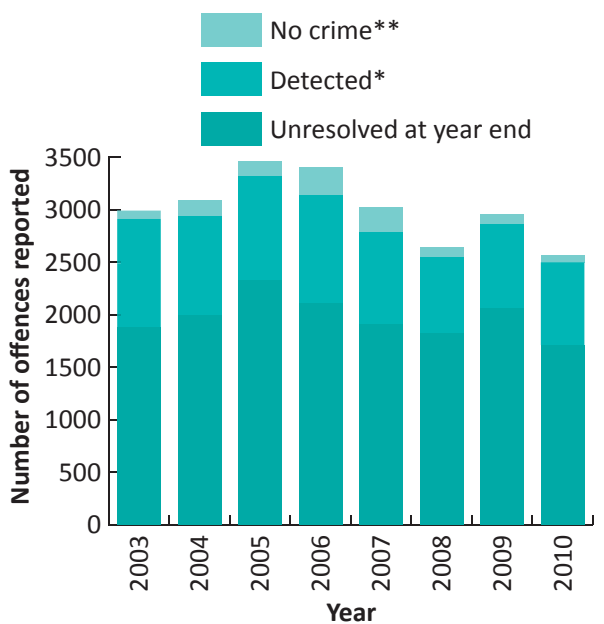


Fiscal & Economic: Fiscal Position, Employment
 Social: Welfare, Housing, Support, Education, Employment and lifelong learning
 Environmental: Built environment

3.6 Crime

KPI: Crime

Figure 3.6.1 Total crimes reported



Source: Guernsey Police

Table 3.6.1: Total crimes reported

	Total no. crimes reported	No. detected*	No. no crime**	Percentage detected (%)
2003	2,994	1,036	80	34.6
2004	3,092	946	152	32.2
2005	3,465	992	148	29.9
2006	3,411	1,031	275	32.9
2007	3,024	880	235	31.6
2008	2,648	725	98	28.4
2009	2,954	800	89	27.9
2010	2,572	788	71	30.6

* Those where an offender was charged, summonsed or cautioned, admitted to the crime or there was enough evidence to provide a realistic prospect of conviction.

** The reported offence was outside the jurisdiction of the Guernsey police, additional verifiable information later determined that no notifiable crime had been committed or the crime had already been recorded or had been recorded in error.

KPI: Rehabilitation

Table 3.6.2: Rehabilitation

Convicted offenders who are reconvicted within 2 years (percentage by initial outcome)				
	Community service	Community supervision	Prison (no post custody supervision)	Prison (with post custody supervision)
2009	22	33	45	27

Source: Prison and Probation Service

KPI: Fear of Crime

Figure 3.6.2: Fear of crime (perception of safety when walking after dark)

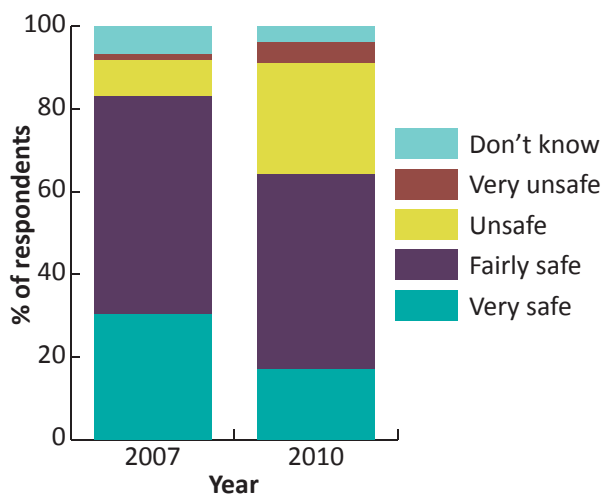


Table 3.6.3: Fear of crime (perception of safety when walking after dark)

	2007	2010
Very safe (% of respondents)	30.4	17.0
Fairly safe (% of respondents)	52.7	47.2
Unsafe (% of respondents)	8.7	26.9
Very unsafe (% of respondents)	1.5	4.9
Don't know (% of respondents)	6.6	3.9

Source: Home Department

More information can be accessed from the Guernsey Police Annual Report via: www.guernsey.police.uk.



3.7 Education and training

Policy objective	Key Performance Indicator	Target		Performance	
Provide education and training	Post 16 participation (percentage of 16 year olds participating in post 16 education or training)	↗	-	↗	-
	No qualification (percentage of year 11 students achieving no qualification)	↘	-	↘	-
	Level 2 qualification (percentage of year 11 students achieving a Level 2 qualification)	↗	-	↗	-
	Level 3 qualification (percentage of year 13 students achieving a Level 3 qualification)	→	-	→	-

Post 16 participation

- In 2010, 87% of Guernsey's 16 year olds were in post 16 education or training, compared to 82% a year earlier and 78% five years earlier in 2006.
- The trend has been generally upward (i.e. improving) since data became available in 2003.

No qualification

- The percentage of students who achieved no qualification by the end of school year 11 (i.e. 15 to 16 years of age, after which they are legally able to leave school) was 0.01% in 2010. This low proportion was formed of a small number of students with long term attendance issues.
- 2010 was the first year in which data regarding no qualifications (i.e. no GCSEs, NVQs, entry level or other Level 1 or 2 qualifications) became available, so trend analysis is not possible.
- However, trend data is available for the percentage of students who achieved no GCSEs by the end of school year 11 and is used to indicate the general trend as a substitute.
- The trend in the percentage has been generally downward (i.e. improving) over the ten years ending in 2010.
- In 2010, 3% of Guernsey year 11 students achieved no GCSEs, compared to 15.4% in 2006. A significant decrease was seen between 2008 and 2009, when the school leaving age was raised from 15 to 16 years of age (i.e. when students could no longer leave before the end of school year 11).

All the education indicators were on trend in 2010.

Level 2 qualification

- Data regarding the percentage of year 11 students (i.e. 15 to 16 year olds) achieving Level 2 qualifications was also new for 2010, when it was 83%. Level 2 qualifications include GCSEs (grades A* to C) and NVQs.
- Trend data available regarding the percentage of year 11 students achieving five GCSEs (grade A* to C) has been substituted in order to gauge performance of this indicator.
- The school leaving age was raised to 16 in 2008, so from that year on the number of year 11 students equates to all children that were 16 during that academic year (where pre 2008 it only included those remaining at school).
- The trend was in the desired direction (upward) over the five years ending in 2010, when 68% of year 11 students gained 5 GCSEs (grade A* to C).

Level 3 qualification

- In 2010, 99% of year 13 students (i.e. 17 to 18 year olds remaining in full time education) gained Level 3 qualifications (e.g. A Levels).
- The proportion has been consistently very high since data became available in 2007.
- The intention is to replace this indicator with a measure of the proportion of all 18 year olds (rather than just those remaining in education) achieving Level 3 qualification when data becomes available, in order to give a better picture of the overall level of qualification achieved by young people in Guernsey.



Fiscal & Economic: Growth, Employment, Markets, Distribution
 Social: Welfare, Support, Employment and lifelong learning
 Environmental: Public awareness and actions

3.7 Education and training

KPI: Post 16 participation

Figure 3.7.1: Post 16 participation

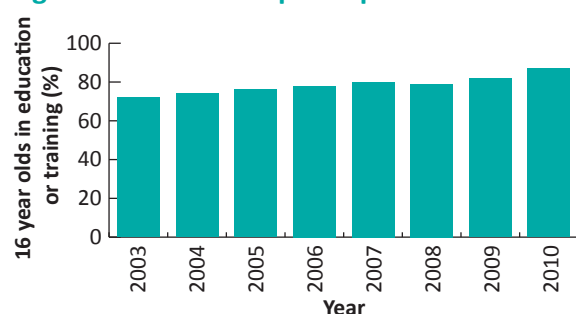


Table 3.7.1: Post 16 participation

16 year olds in education or training (as % of all 16 year olds)	
2006	78
2007	80
2008	79
2009	82
2010	87

KPI: No qualification

Figure 3.7.2: No GCSEs

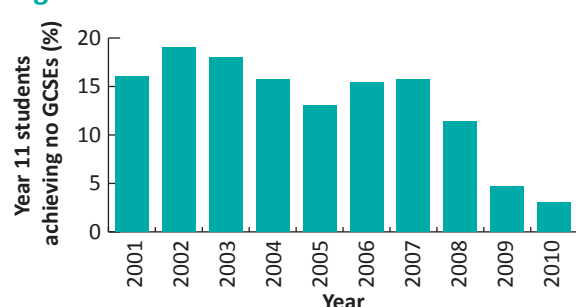


Table 3.7.2: No qualification and no GCSEs

	Students achieving no qualification (as % of all year 11 students)	Students achieving no GCSEs (as % of all year 11 students)
2006	-	15
2007	-	16
2008	-	11
2009	-	5
2010	0.01	3

KPI: Level 2 qualification

Figure 3.7.3: GCSEs

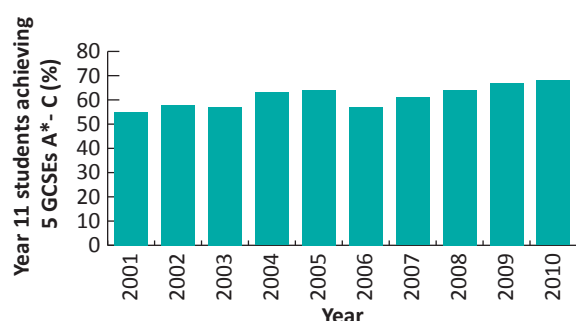


Table 3.7.3: Level 2 qualification and GCSEs

	Students achieving at least one Level 2 qualification (as % of all year 11 students)	Students achieving 5 GCSEs A*-C (as % of all year 11 students)
2006	-	57
2007	-	61
2008	-	64
2009	-	67
2010	83	68

KPI: Level 3 qualification

Figure 3.7.4: Level 3 qualification

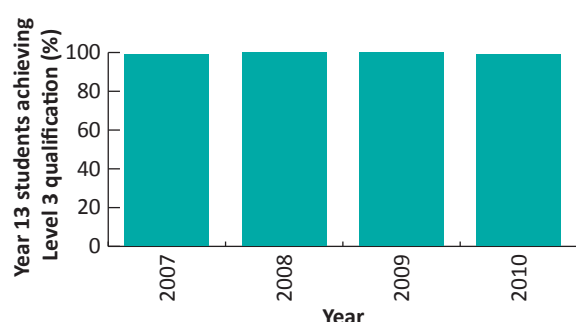


Table 3.7.4: Level 3 qualification

Students achieving at least one Level 3 qualification (as % of year 13 students)	
2007	99
2008	100
2009	100
2010	99

Source: Education Department (for all the above)

More information can be accessed via www.education.gg.



3.8 Employment and lifelong learning

Policy objective	Key Performance Indicator	Target		Performance	
Encourage employment and lifelong learning	Workforce participation (percentage of working age population either economically active or in full time education per annum)	↗	-	?	-
	Adult education and training (no KPI)	-	-	-	-

Workforce participation

- In 2010, 79% of the working age population were in full time education or economically active (based on Social Security records as at 31st March). The working age population consists of those aged between 16 and 64 years of age inclusive.
- Six percentage points of that proportion were in full time education either on or off Island (but may also have been economically active on a part time basis). The vast majority of those were people aged 25 years or younger.
- The rest of the 79% were economically active and not in full time education (but may have been participating in education or training on a part time basis).
- The remaining 21% of the working age population (labelled as “other” in [Figure 3.8.1](#)) were neither economically active (i.e. were not employed or self employed) nor in full time education.
- The intention is to track trends in these figures in future years.

- The Group has identified the need to improve the information and evidence on Guernsey’s skills in the following areas in particular:
- Gathering information on Guernsey’s skills, including obtaining more information on the skills of young people, and those not in work.
- Gathering information on Guernsey’s skills needs. This will include developing a common framework for gathering skills information across all sectors of the Island’s economy, and reviewing and consolidating the existing Guernsey Training Agency and Guernsey College of Further Education advisory groups in order to gather reliable skills information.

In 2010, 79% of the working age population were economically active or in full time education. This and other indicators to monitor adult education and training are under development.

Adult education and training

- At present, there are no KPIs to monitor adult education and training (except the numbers in full time education, above).
- It is anticipated that KPIs will be developed in order to monitor the progress of the Skills Strategy, which the Skills Strategy Development Group has been tasked with producing. Once finalised, the KPIs can be used within this report.
- The Group comprises of representatives from the private sector, as well as the Commerce and Employment, Social Security and Education Departments.



Fiscal & Economic: Growth, Employment, Markets, Distribution

Social: Education and training

Environmental: Public awareness and actions

3.8 Employment and lifelong learning

KPI: Workforce participation

Figure 3.8.1: Workforce participation (at 31st March 2010)

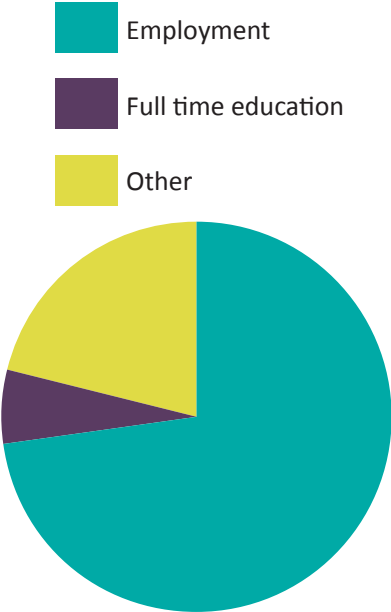


Table 3.8.1: Workforce participation (at 31st March)

	People in employment (as % working age population)*	People in full time education* (as % working age population)	People in employment or full time education (as % working age population)
2010	73	6	79

*This figure differs to the employment rate figure presented in Section 2.5, since it excludes people who were both in full time education and employment. The full time education classification used here captures all people in full time education, including those who were also in employment.

Source: Social Security Department

More information on employment can be found in the Guernsey Labour Market Bulletin, which can be accessed via: www.gov.gg/pru.



4.1 Carbon footprint and climate change

Policy objective	Key Performance Indicator	Target	Performance
Reduce contribution to greenhouse gases and carbon footprint	Total greenhouse gas emissions (kilotonnes of carbon dioxide per annum)	↘ -12.5% by 2012	↘ -17.9%
Adapt to climate change	Climate change adaption strategies implemented (as percentage of service development areas identified as being at risk)	- 100%	- none

Total greenhouse gas emissions

- The total change in Guernsey's greenhouse gas emissions was a decrease of 17.9% between 1990 and 2008-2009, which is on track to meet the Kyoto Protocol target.
- The Kyoto Protocol aim is to achieve a target decrease of at least 12.5% in emissions between 1990 and the years 2008-2012 (average).
- The majority of Guernsey's emissions are in the form of carbon dioxide, resulting from the combustion of fossil fuels for power generation, heating and transport.
- The emissions estimates are "source based", which means they reflect only emissions released from the specified location. As such, emissions resulting from the generation of electricity in Europe, which is imported for Guernsey consumption, are not included here (but are included in the European figures).
- Guernsey's emissions generally trended upwards between the years 1990 and 2000 and from 2001 to 2009. However, there was a 33.2% decrease in total emissions sourced in Guernsey between the years 2000 and 2001, resulting mostly from electricity being imported via a cable link to France from 2001 onward.
- Transport contributed the largest proportion (25%) of the total emissions in 2009, followed by power generation (24%). Please see the *Annual Greenhouse Gas Bulletin* (via www.gov.gg/ghg) for more information.

The reduction required to meet the Kyoto Protocol target for 2008-2012 is a minimum decrease of 12.5%. Guernsey's greenhouse gas emissions reduced by 17.9% between 1990 and 2008-2009.

Climate change adaption strategies implemented

- Breaches of coastal defences and flooding have been identified as Guernsey's key risks from climate change due to the infrastructure and services that are sensitive to the risk of flooding.
- However, at present the States of Guernsey have not documented the particular service areas at risk or implemented related strategies for adaption to climate change.
- Adaption strategies set out how to deal with the climate impacts that are likely to happen to areas at risk.
- The Technical Director of the UK Climate Impacts Programme (UKCIP) facilitated a workshop with representatives from States Departments in 2011. The workshop was the beginning of the process of documenting key headline messages to aid decision making and promote the adoption of adaption strategies. These messages will be shared and developed with other British Irish Council jurisdictions.



Fiscal & Economic: Growth, Infrastructure
Social: Education and training

Environmental: Energy, Public awareness and actions, Built environment, Environmental hazards

4.1 Carbon footprint and climate change

KPI: Total greenhouse gas emissions

Figure 4.1.1: Total greenhouse gas emissions (carbon footprint) by type

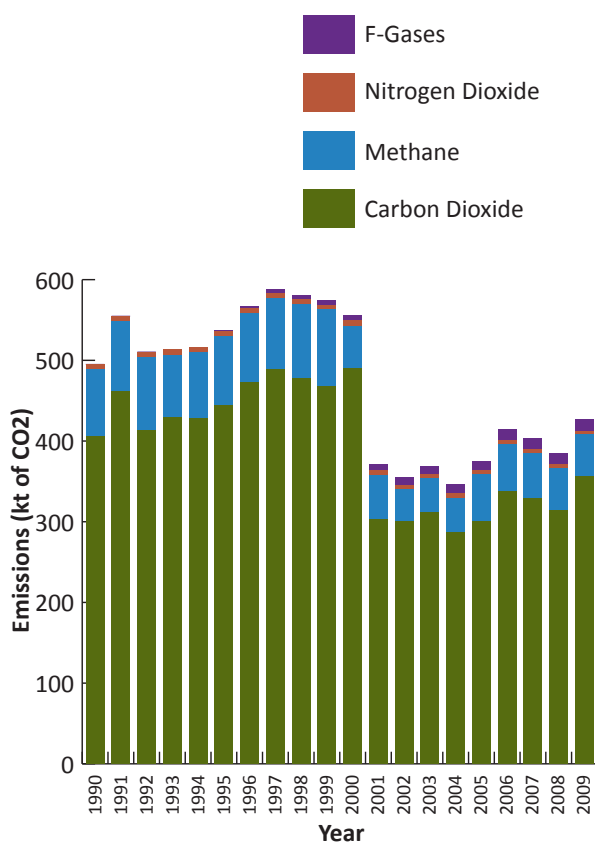


Table 4.1.1: Total greenhouse gas emissions (carbon footprint)

	Total emissions (kt CO ₂)	Annual % change	Cumulative % change
1990	494.9	-	-
1991	554.8	12.1	12.1
1992	510.4	-8.0	3.1
1993	513.6	0.6	3.8
1994	516.9	0.6	4.4
1995	537.7	4.0	8.6
1996	567.2	5.5	14.6
1997	587.3	3.5	18.7
1998	581.0	-1.1	17.4
1999	575.2	-1.0	16.2
2000	556.6	-3.2	12.5
2001	371.9	-33.2	-24.9
2002	354.8	-4.6	-28.3
2003	368.6	3.9	-25.5
2004	345.6	-6.2	-30.2
2005	375.5	8.7	-24.1
2006	414.3	10.3	-16.3
2007	403.5	-2.6	-18.5
2008	385.3	-4.5	-22.2
2009	427.4	10.9	-13.6
Average of 2008 to 2009	406.4	-	-17.9

Source: AEA Technology

KPI: Climate change adaption strategies implemented

Table 4.1.2: Climate change adaption strategies implemented

	No. service development areas identified as being at risk	No. climate change adaption strategies implemented	Percentage of climate change adaption strategies implemented (%)
2010	0	0	none

Source: Environment Department

The Guernsey Annual Greenhouse Gas Bulletin, which contains more information and data, can be downloaded via the following web page www.gov.gg/ghg.



4.2 Waste

Policy objective	Key Performance Indicator	Target		Performance	
Minimise waste generated	Total water consumption (megalitres per annum)	↘	-	→	-
	Total solid household, commercial and industrial waste generated (tonnes per annum)	↘	-	→	-
Increase reuse and recycling	Household recycling rate (annual percentage of solid waste recycled)	↗	≥50%	↗	45.8%
	Commercial and industrial recycling rate (annual percentage of solid waste recycled)	↗	≥50%	→	40.6%

Liquid waste

- Water consumption is used as an indicator of liquid waste, since outfall volumes can be more significantly affected by external factors such as tidal flow and rainfall and as such, less accurately represent the volume of liquid waste produced by the population.
- Over the five years ending 2010, total water consumption decreased by an average of 1.4% per year. However, domestic consumption (which constitutes over half of the total water consumption) has steadily increased year on year since 2006.
- Changes in commercial and other (e.g. tourist accommodation and agriculture and horticulture) consumption have been less consistent in any particular direction.
- The resulting overall trend for the five years ending in 2010 is not clearly in the desired direction i.e. it is off (but not against) trend. It had been on trend for the five years ending 2008.

Neither solid waste generated nor water consumption trended downward as desired.

Solid household, commercial and industrial waste generated

- In 2010, 73,341 tonnes of waste was generated by household, commercial or industrial sources in Guernsey. An additional 151,064 tonnes of construction and demolition waste was also generated (giving a grand total of 224,405 tonnes).

The latter is excluded from the KPI as the vast majority is re-used or used for land reclamation and fluctuates with activity in the construction industry so may mask trends.

- This data became available in 2008 and a better picture of the long term trend will develop over time. However, the trend is currently considered to be stable.

The household recycling rate improved and the commercial and industrial rate was stable, but both were below target.

Recycling rates

- In 2010, the household recycling rate was 45.8% and the commercial and industrial recycling rate was 40.6%. These rates include the recycling of green waste, via schemes introduced in 2008.
- The target for both of these indicators is a minimum rate of 50% and an upward trend.
- The domestic recycling rate has increased over the three years since data became available, but remained lower than the 50% target in 2010.
- The commercial and industrial rate has remained relatively stable over the three years ending 2010, when it was below target at 40.6%.
- Almost all of the waste resulting from construction and demolition activities is either re-used or used for land reclamation (16.8% and 83.0% respectively). As such, a recycling rate is not provided for construction and demolition waste.



Fiscal & Economic: Growth
 Social: Education and training
 Environmental: Public awareness and actions, Environmental hazards

4.2 Waste

KPI: Total water consumption

Figure 4.2.1: Total water consumption by category

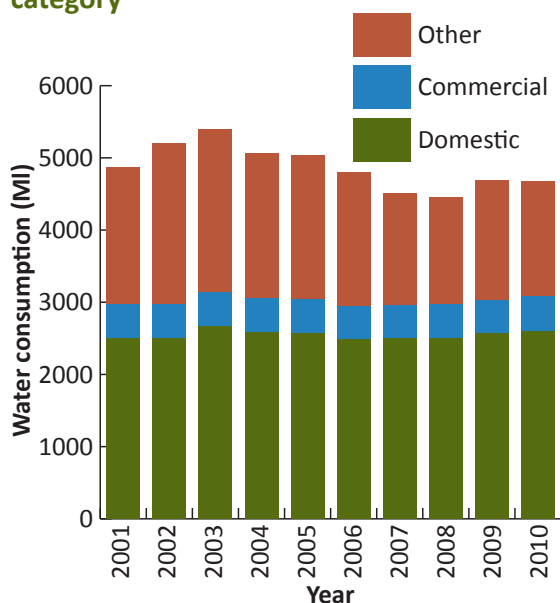


Table 4.2.1: Total water consumption

	Total water consumption (MI)	Annual % change
2001	4,867	-0.8
2002	5,199	6.8
2003	5,396	3.8
2004	5,059	-6.2
2005	5,034	-0.5
2006	4,805	-4.5
2007	4,510	-6.1
2008	4,459	-1.1
2009	4,690	5.2
2010	4,677	-0.3

NB - All the data above were revised by Guernsey Water in 2009 and now also include an "other" category in addition to the domestic and commercial categories previously reported.

Source: Guernsey Water

KPI: Total solid household, commercial and industrial waste generated

Table 4.2.2: Total solid waste generated

	Total solid construction and demolition waste generated (t)	Total solid household, commercial and industrial waste generated (t)
2008	158,245	73,281
2009	120,947	70,254
2010	151,064	73,341

Source: Public Services Department

KPI: Household recycling rate

Table 4.2.3: Household recycling rate

	Total solid waste generated (t)	Total solid waste recycled (t)	Recycling rate (%)
2008	24,095	8,496	35.3
2009	24,038	8,774	36.5
2010	26,451	12,122	45.8

Source: Public Services Department

KPI: Commercial and industrial recycling rate

Table 4.2.4: Commercial and industrial recycling rate

	Total solid waste generated (t)	Total solid waste recycled (t)	Recycling rate (%)
2008	49,186	20,407	41.5
2009	46,216	18,092	39.1
2010	46,890	19,016	40.6

Source: Public Services Department

More information can be found in the Facts and Figures booklet, which can be accessed via: www.gov.gg/pru.



4.3 Water

Policy objective	Key Performance Indicator	Target		Performance	
Effectively manage water resources	Volume of unaccounted for water (megalitres lost per annum)	↘	≤550MI	↘	498MI
	Storage level (percentage of total storage capacity)	-	≥95%	-	100%
	Domestic water consumption (litres of water consumed per capita per day)	↘	-	➡	-

Volume of unaccounted for water

- The volume of unaccounted for water showed a generally decreasing trend from 2003 to 2010 and totalled 498 megalitres in 2010; both on trend and on target.
- Methodological changes in 2009 have improved the measure and are likely to have resulted in the apparent increase when comparing 2009 and 2010 with earlier figures.

Storage level

- The percentage of Guernsey's total water storage capacity in use on 1st April 2011 was the maximum possible, 100%, which meets the target of 95% (minimum) storage capacity use.
- This figure has fluctuated through values of between 95% and 100% over the five years ending in 2011, so has been on target each year.

Domestic water consumption

- The domestic water consumption per capita calculations are based on population estimates provided by the Social Security Department, which are available from 2006 onwards.
- The average domestic water consumption was 114.2 litres per capita per day in 2010, which is three litres more than in 2006.
- On the whole the level of domestic water consumption per capita has been relatively stable since 2006, which is off trend. The desired trend is a decreasing level of consumption per capita.
- Building regulation developments in the UK are leading to more stringent standards for domestic water consumption.

- Guernsey has been monitoring these developments with a view to possible adoption of these standards.
- The standards embrace the Code for Sustainable Homes (see www.communities.gov.uk/thecode for more information) which has a system for scoring the performance of homes against a range of aims. For example, in order to gain the highest number of points possible (five) against the aim to reduce domestic water consumption, a house would need to use a maximum of 80 litres of mains supplied water per person per day.

Water losses and the storage level were both on target. However, the level of water consumed per capita per day was stable rather than showing a downward trend, which would be preferred.



Social: Housing

Environmental: Public awareness and actions, Built environment

4.3 Water

KPI: Volume of unaccounted for water

Figure 4.3.1: Volume of unaccounted for water

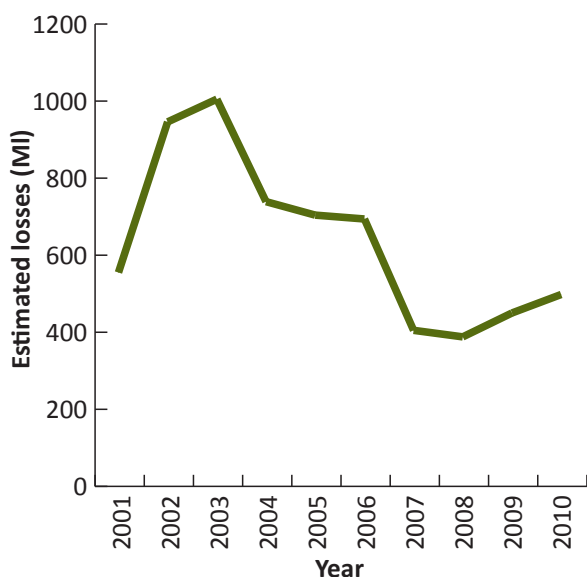


Table 4.3.1: Volume of unaccounted for water

	Estimated losses (MI)	Annual % change
2001	555	-0.2
2002	946	70.5
2003	1,005	6.2
2004	739	-26.5
2005	704	-4.7
2006	694	-1.4
2007	405	-41.6
2008	388	-4.2
2009*	450	16.0
2010	498	10.7

* Changes were made to improve the method for measuring unaccounted for water, so figures from 2009 onward are not directly comparable with previous estimates.

Source: Guernsey Water

KPI: Storage level

Figure 4.3.2: Storage level (at 1st April)

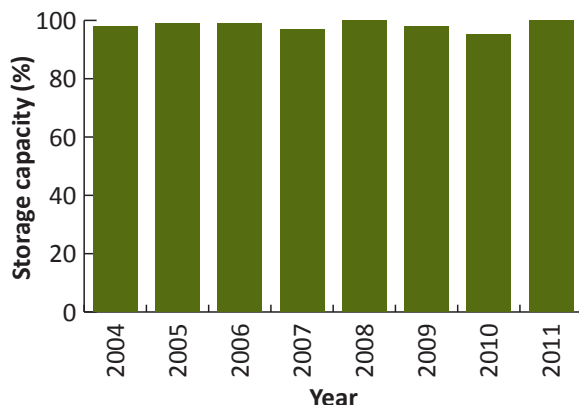


Table 4.3.2: Storage level (at 1st April)

	Total storage capacity in use at 1st April (%)
2004	98
2005	99
2006	99
2007	97
2008	100
2009	98
2010	95
2011	100

Source: Guernsey Water

KPI: Domestic water consumption

Figure 4.3.3: Domestic water consumption

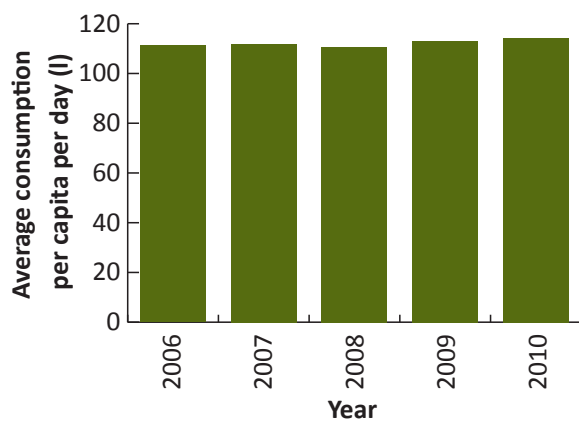


Table 4.3.3: Domestic water consumption

	Average domestic water consumption per capita per day (l)	Annual % change
2006	111.3	-
2007	111.9	0.5
2008	110.7	-1.0
2009	113.1	2.2
2010	114.2	1.0

NB - All the domestic water consumption data used in these calculations were revised by Guernsey Water in 2009.

Source: Guernsey Water, Social Security Department

More information on Guernsey Water can be found on the website: www.water.gg.



4.4 Energy

Policy objective	Key Performance Indicator	Target		Performance	
Use energy sustainably	Total energy supplied to Guernsey consumers in the form of electricity, gas and fuel oils (British thermal units per annum)	↘	-	➡	-
	Proportion of energy derived from nuclear and renewable sources (as percentage of total energy supplied in the form of electricity, gas and fuel oils per annum)	↗	-	↗	-

Total energy supplied to Guernsey consumers

- The total amount of energy supplied to Guernsey consumers in the form of electricity, gas and fuel oils is calculated using fuel import and gas and electricity sales data.
- The calculations use standard assumptions regarding fuel efficiency (e.g. the amount of energy which can be supplied to a car per litre of petrol). Assumptions are also made regarding the efficiency of electricity generated locally. Each of the assumptions used are applied consistently throughout to ensure year on year comparability.
- Energy from other sources, such as coal, wood and home generation is not included, since complete data was unavailable.
- Energy consumed by Guernsey Electricity in the process of generating electricity on Island (i.e. that which is not available to end consumers) is also excluded.
- The measure provides an indication of changes in the level of energy supplied to Guernsey consumers (i.e. total household and commercial energy demand) for the years since 2008, when data first became available.
- During the period 2008 to 2010, the level of energy supplied to consumers in the form of electricity, gas and fuel oils was relatively stable.
- Trends in this indicator will become more apparent as more data becomes available over the coming years.

Total energy supplied to consumers was stable, but the proportion of that which was from nuclear or renewable sources increased in 2010.

Proportion of energy derived from nuclear and renewable sources

- It is possible to calculate the proportion of the energy supplied to Guernsey consumers (as per above), which is derived from nuclear or renewable sources.
- Again, this excludes electricity which is self-generated e.g. using solar panels, wind turbines etc. It covers only that supplied to Guernsey consumers from nuclear and renewable sources (via the electricity cable link to France).
- In 2010, 19% of energy supplied to Guernsey consumers in the form of electricity, gas and fuel oils was from nuclear or renewable sources.
- This compares to 16% in 2008 and 12% in 2009, so performance of this indicator has improved during this period.
- It should be noted that Guernsey Electricity's licence requires that it procures electricity using the method which incurs the least cost. As a result, the amount of electricity supplied from (off Island) nuclear and renewable sources is affected by global oil prices and the price of electricity in Europe.



Fiscal & Economic: Growth, Infrastructure

Social: Housing

Environmental: Public awareness and actions, Built environment

4.4 Energy

KPI: Total energy supplied to Guernsey consumers

Figure 4.4.1: Total energy supplied to Guernsey consumers

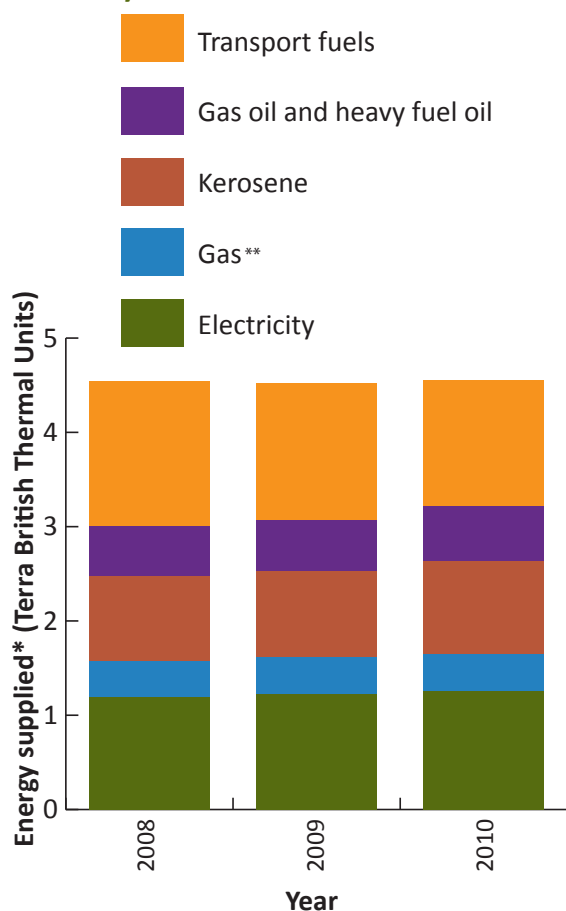


Table 4.4.1: Total energy supplied to Guernsey consumers

	Total energy supplied to consumers* per annum (Terra British Thermal Units)	Annual % change
2008	4.54	-
2009	4.51	-0.7
2010	4.56	1.1

* These data (above and below) include only energy supplied to consumers in the form of electricity, gas and fuel oils. Data relating to coal, wood and home generated renewable energy was unavailable.

** Gas data relates to the year ending 31st June. All other data relates to calendar years.

Source: Guernsey Electricity, Guernsey Gas, Customs and Excise

KPI: Proportion of energy derived from nuclear and renewable sources

Figure 4.4.2: Proportion of energy derived from nuclear and renewable sources

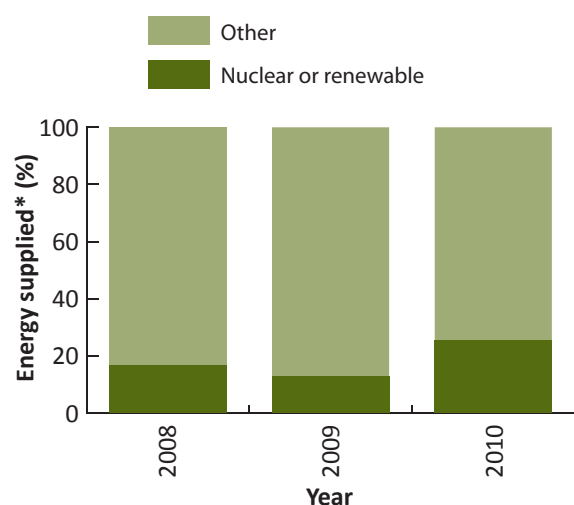


Table 4.4.2: Proportion of energy derived from nuclear and renewable sources

	Energy derived from nuclear and renewable sources as percentage of total energy supplied* per annum (%)	Energy derived from other sources as percentage of total energy supplied* per annum (%)
2008	16	84
2009	12	88
2010	19	81

Source: Guernsey Electricity, Guernsey Gas, Customs and Excise

More information can be found in the Facts and Figures booklet, which can be accessed via: www.gov.gg/pru.



4.5 Public awareness and actions

Policy objective	Key Performance Indicator	Target		Performance	
Increase self sufficiency	Area of undeveloped land (as percentage of Island total area)	-	≥ 88%	-	88.4%
Increase individuals' understanding and ability to make informed decisions regarding their interaction with the environment	Bus passenger journeys (number per annum)	↗	-	↗	-
	Motor transport fuel imports (thousands of litres per annum)	↘	-	→	-

Area of undeveloped land

- The area of undeveloped land (including greenhouses) gives an impression of the Island's capacity for self sufficient food production.
- The target is for this area to not decrease below 88% of the Island's total area. The target is based on the 2008 to 2010 values.
- In 2010, 88.4% of the Island's area was undeveloped. This is 0.2 percentage points lower than in 2009 and 2008 but is 0.4 percentage points above the target minimum.

The area of undeveloped land (indicating land available for self sufficient food production) decreased slightly, but was on target. Bus passenger journeys increased and motor fuel imports remained relatively stable.

- Over the five years ending 2010, the number of bus passenger journeys has increased by 194,348 (or 14%), indicating that people have been making more use of the available bus services, although the rate of increase has slowed more recently.

Motor transport fuel imports

- Motor transport fuel consumption gives a general indication of motor vehicle use across the Island. Data has been available since 2008.
- In 2010, 34,310,000 litres of petrol and diesel were imported to Guernsey for motor vehicle use, 3.3% less than in 2009. However, the level of imports had increased between 2008 and 2009.
- Fluctuations can be caused by changing purchasing and stock piling patterns of importers, so the trend is gauged to be stable at present.

Bus passenger journeys

- The number of bus passenger journeys has been increasing (on trend) since 2001, when subsidised bus fares were introduced.
- The number of bus passenger journeys was 1.3% higher in 2010 than in 2009. It should be noted that bus fares were increased from 60p to £1 in 2010.



Fiscal & Economic: Growth
 Social: Education and training
 Environmental: Carbon footprint and climate change, Energy

4.5 Public awareness and actions

KPI: Area of undeveloped land

Figure 4.5.1: Area of undeveloped land

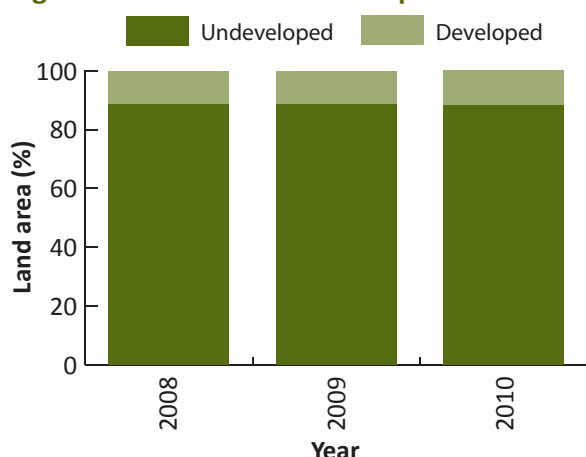


Table 4.5.1: Area of undeveloped land

	Undeveloped land (square kilometres)	Undeveloped land (%)	Developed land (%)
2008	56.3	88.6	11.4
2009	56.3	88.6	11.4
2010	56.2	88.4	11.6

NB - greenhouses are included in the undeveloped land category.

Source: Digimap

KPI: Bus passenger journeys

Figure 4.5.2: Bus passenger journeys

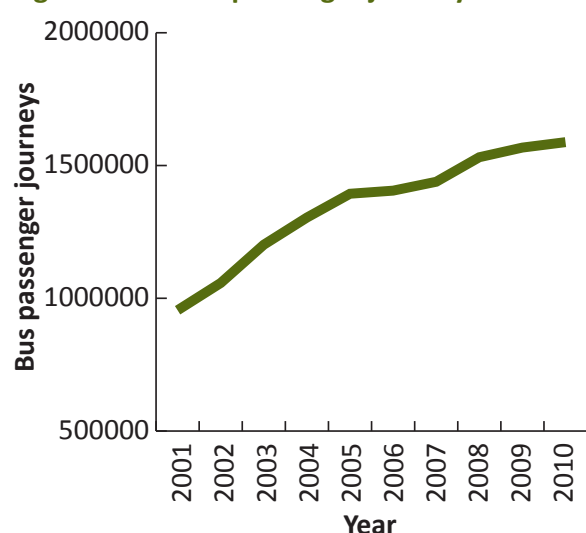


Table 4.5.2: Bus passenger journeys

	No. journeys	Annual % change
2001	954,908	8.7
2002	1,057,627	10.8
2003	1,201,799	13.6
2004	1,304,049	8.5
2005	1,393,698	6.9
2006	1,405,414	0.8
2007	1,438,803	2.4
2008	1,531,257	6.4
2009	1,567,565	2.4
2010	1,588,046	1.3

Source: Environment Department

KPI: Motor transport fuel imports

Figure 4.5.3: Motor transport fuel imports

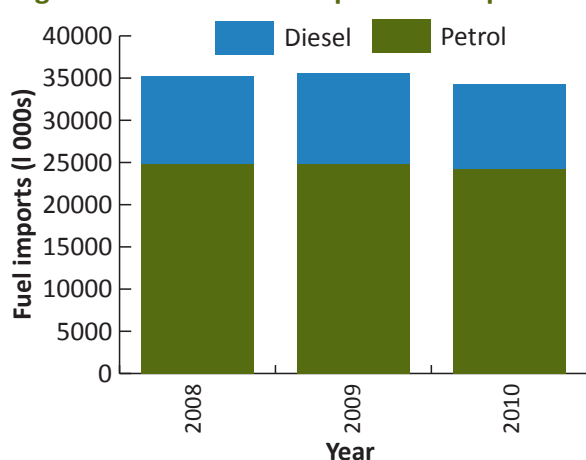


Table 4.5.3: Motor transport fuel imports

	Petrol (l 000s)	Diesel (l 000s)	Total (l 000s)	Annual % change
2008	24,848	10,354	35,202	-
2009	24,822	10,677	35,499	0.8
2010	24,197	10,113	34,310	-3.3

Source: Customs and Excise

Information on bus services can be obtained from www.buses.gg.



4.6 Biodiversity, countryside, marine and coastal

Policy objective	Key Performance Indicator	Target		Performance	
Ensure healthier biodiversity and support specific species and habitats	Area of open natural habitat (as percentage of Island total area)	-	≥3.8%	-	3.6%
	Area of open natural habitat with protection strategy (as percentage of total open natural habitat area)	-	100%	-	30%
Retain the distinctive character of Guernsey's farming and countryside heritage	Area of land used by dairy farmers (as percentage of Island total area)	→	-	→	-
	Total length of hedgebanks (as percentage of Island total area)	→	-	?	-

Area of open natural habitat

- Biodiversity describes the variety of life. A diverse range of life forms is fundamental to Earth's life support system. It is key to the provision of natural resources including water, food, soil and air.
- Biodiversity encompasses the complexity of life on Earth and hence there can be no simple all encompassing objective measurement.
- Habitats can be used as a surrogate measure of biodiversity. The more habitat types and areas, the greater the number and range of species that can be supported and hence the greater the opportunity for continued adaption. Habitats are also representative of the entire functional system.
- Important habitats in Guernsey (which make up the category called "open natural habitats") include unimproved and marshy grasslands, saltmarsh, sand dunes and coastal grass and heathlands. Some of this land is in private ownership, but wherever possible the Environment Department works with land owners to ensure its preservation and intends to increase information available to aid better management of important habitats.
- The total area of open natural habitat in Guernsey decreased by 5% between the habitat surveys in 1998/99 and 2010.

Area of open natural habitat with protection strategy

- Preserving the quality of open natural habitat land is also important for biodiversity.
- In 2010, 30% of the open natural habitat land

had a protection strategy in place. This land was all owned by the States of Guernsey, The National Trust or La Société Guernesiaise.

- The intention is to also monitor the prevalence of indicator species in future years.

Area of land used by dairy farmers

- The Guernsey cow is a distinctive part of Guernsey's countryside and heritage. An indicator that this characteristic is being retained is the area of land used by local dairy farmers (included in the Guernsey Farm Biodiversity (Wildlife) Action Plans).
- The area has fluctuated over the five years ending in 2010, but the overall trend was stable.

Total length of hedgebanks

- Another distinctive characteristic of Guernsey's farming and countryside heritage are the hedgebanks which separate fields. In 2010 there were 826km of hedgebank in Guernsey.
- Hedgebanks are important for biodiversity, since they provide shelter, food and safe travel routes for many different insects, birds and small mammals. They are also indicative of the Guernsey farming heritage, which favoured using relatively small fields (separated by hedgebanks) for grazing (mainly cows) and crop growing in rotation.
- The retention of small fields separated by hedgebanks indicates that this heritage is being preserved to an extent and that manual labour and relatively small farm machinery are still favoured over mass production of crops using large machinery in large fields.



Fiscal & Economic: Distribution

Environmental: Public awareness and actions, Built environment

4.6 Biodiversity, countryside, marine and coastal

KPI: Habitat and species protection strategies implemented

Table 4.6.1: Area of open natural habitat

	Total open natural habitat area (square kilometres)	Total open natural habitat area (vergees)	Area (% of Island total)	Percentage change
1999	2.4	1,454	3.8	-
2010	2.3	1,381	3.6	-5.0

Source: Habitat Survey 2010

KPI: Area of open natural habitat

Table 4.6.2: Area of open natural habitat

	Total open natural habitat area with protection strategy (square kilometres)	Total open natural habitat area with protection strategy (vergees)	Area with protection strategy (% of total open natural habitat)
2010	0.7	414	30%

Source: Environment Department

KPI: Area of agricultural land

Figure 4.6.1: Land used by dairy farmers



Table 4.6.3: Land used by dairy farmers

	Land used by dairy farmers* (square kilometres)	Land used by dairy farmers* (vergees)	Area (% of Island total)	Percentage change
2004	13.35	8,146	21.0	-
2005	13.49	8,232	21.2	1.1
2006	13.79	8,414	21.7	2.2
2007	13.70	8,358	21.5	-0.7
2008	13.19	8,050	20.7	-3.7
2009	12.93	7,887	20.3	-2.0
2010	13.39	8,171	21.1	3.6

* This is the area included in the Guernsey Farm Biodiversity (Wildlife) Action Plans.

Source: Commerce and Employment

KPI: Total length of hedgebanks

Table 4.6.4: Total length of hedgebanks

	Total hedgebank length (km)
1999	695*
2010	826

Source: Habitat Survey 2010

* The method used for the 2010 survey was more sophisticated than that which was available for the 1999 survey. The figure shown for 1999 is considered conservative.

More information on the Biological Records Centre can be found on its website:
www.biologicalrecordscentre.gov.gg



4.7 Built environment

Policy objective	Key Performance Indicator	Target		Performance	
Retain the distinctive character of Guernsey's heritage and protect traditional architecture	Protection of buildings and monuments (percentage of shortlisted buildings surveyed)	-	10% per annum	-	none
Ensure careful and sympathetic application of modern architecture and developments	Area design guidance (number of Area design statements and Conservation Area appraisals produced)	-	1 per annum	-	0
Embrace high environmental and quality standard buildings	Sustainable construction (no KPI)	-	-	-	-

Protection of buildings and monuments

- The Environment Department can protect buildings, monuments or sites which are considered to be of importance by including them on the statutory lists under The Land Planning and Development (Guernsey) Law, 2005. The Law gives the Department the necessary powers to protect and preserve listed buildings and monuments and their settings.
- Monuments of archaeological, historic, traditional, artistic or other special interest can be listed. Any building can also be included if its exterior contributes to historic, architectural, traditional or other interests.
- Preparatory work for the review of the List of Protected Buildings began last year. It is proposed to review around 4,000 potentially important buildings, including those on the current List, in order to ensure that all Guernsey's "important" buildings and monuments are identified and listed (and therefore protected).
- The Department is currently completing an initial assessment of each of these buildings to shortlist ones which will require more detailed survey and assessment, commencing in 2012.
- The target for this indicator is for 10% of the shortlisted buildings to be surveyed each year. However, this target (based on the assumption that approximately 2,000 will require detailed survey) may be subject to revision in 2012, when the final shape of the project is known.

Area design guidance

- Area Design Statements and Conservation Area Appraisals are detailed studies of specific areas that describe and analyse physical and social characteristics. This can include character in terms of the buildings and spaces between them, overall architectural style, materials used, special features such as boundary treatments and the landscape setting, as well as the way a particular area is used by its local community.
- These studies (which have not previously been undertaken) will offer islanders the opportunity to contribute to design guidance for specific areas. This guidance will be used to help applicants create developments that conserve and enhance an area's special character.

Sustainable construction

- The Environment Department constantly monitor changes and new technology in the construction industry, both in the UK and Europe, with a view to implementing changes to the Building Regulations, when necessary, as soon as practically possible.
- In 2010, Guernsey building regulations were in line with 2006 UK regulations with the exception of regulations relating to conservation of fuel and power, which were based on 2002 guidance.
- The UK revised its regulations in 2010 and the Guernsey regulations are currently being reviewed by the Law Officers with the intention of bringing them in line, except for the guidance regarding conservation of fuel and power, which will remain unchanged until guidelines specific to Guernsey have been developed.



Fiscal & Economic: Distribution

Social: Housing

Environmental: Carbon footprint and climate change, Energy, Water

4.7 Built environment

KPI: Protection of buildings and monuments

Table 4.7.1: Percentage of shortlisted buildings surveyed

Buildings surveyed (as % of total on shortlist)	
2010	none

Source: Environment Department

KPI: Area design guidance

Table 4.7.2: Area design guidance

Number of Area Design Statements and Conservation Area Appraisals produced	
2010	0

More information on planning permissions is available from the Development Control section of the Environment Department.



4.8 Environmental hazards

Policy objective	Key Performance Indicator	Target	Performance
Reduce air pollution	Nitrogen dioxide levels (annual average micrograms per cubic metre of nitrogen dioxide)	↘ 40 μ g/ m ³ max	? 21.6 μ g/ m ³
Improve surface water quality	Nitrate levels (mean average concentration in milligrams per litre per annum)	↘ -	↗ -
Implement environmentally acceptable methods for solid and liquid waste disposal	Compliance with licensing conditions (annual percentage compliance)	- 100%	- 100%

Nitrogen dioxide levels

- Nitrogen dioxide is a gas produced by all combustion processes and at high concentrations can have damaging health effects on the lung. The major sources in Guernsey are road traffic and space heating installations.
- Nitrogen dioxide levels are measured at nine sites across the island and then weighted by location to give a single figure.
- In 2010, the average nitrogen dioxide level in Guernsey was 21.6 micrograms per cubic metre; approximately half the recommended maximum level (set by the World Health Organisation) of 40 micrograms per cubic metre to avoid long term health effects.
- There were methodological changes in 2010, including additional sampling at high traffic flow locations and a change in the laboratory, which analyses the samples. As a result, the 2010 figure is not strictly comparable with earlier figures, so trend analysis for the five years ending 2010 is not possible.

Nitrate levels

- Nitrates levels in surface water are affected by rainfall, decomposition of organic matter in soil and the application of inorganic fertilizers or manure to land.
- Consumption of high levels of nitrates (e.g. from borehole, stream or well water) can cause methaemoglobinaemia or “blue-baby syndrome” in infants and nitrate poisoning in livestock. Aquatic creatures can also be affected, since high nitrate

levels can cause excessive algae and plant growth, which reduces oxygen availability.

- Between 2005 and 2010, the mean surface water nitrate level decreased by 42% from 42.0 to 24.3 milligrams per litre, which denotes clear and continued improvement in the performance of this indicator.

Nitrogen dioxide levels and compliance with recently introduced waste licensing conditions were on target and surface water nitrate levels had improved considerably in 2010.

Compliance with licensing conditions

- The Director of Environmental Health and Pollution Regulation is responsible for licensing waste operations covering activities for the collection, transport, sorting, treating, storage or disposal of waste.
- Transport licences were introduced in 2010 and at March 2011, 225 of these licences had been issued. Other forms of licence will be introduced in due course.
- During the year ending March 2011, there were no breaches of licensing conditions i.e. 100% compliance (on target).
- The conditions include provisions such as a ‘duty of care’ for all operators and special controls for the management of hazardous wastes, termed ‘specially controlled wastes’.



Fiscal & Economic: Distribution

Social: Healthcare

Environmental: Waste, Public awareness and actions

4.8 Environmental hazards

KPI: Nitrogen dioxide levels

Figure 4.8.1: Nitrogen dioxide levels

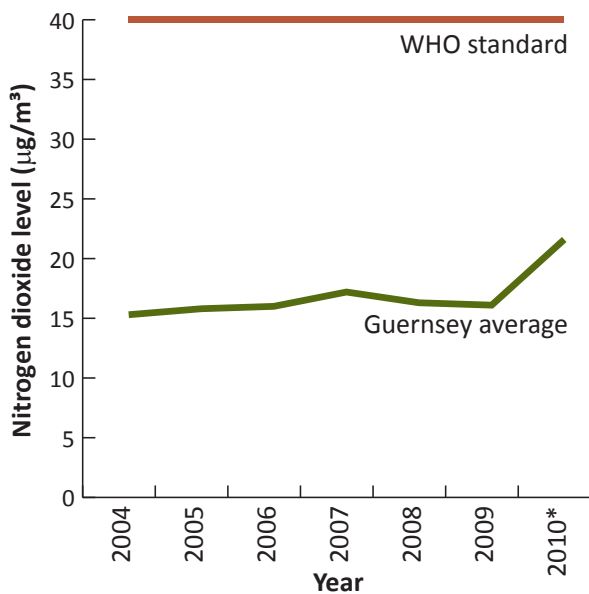


Table 4.8.1: Nitrogen dioxide levels

	Annual Guernsey average (µg/m³)	Annual percentage change (%)
2004	15.3	-0.3
2005	15.8	2.7
2006	16.0	1.3
2007	17.2	7.5
2008	16.3	-5.0
2009	16.1	-1.1
2010*	21.6	33.8

* There were methodological changes in 2010, which means the 2010 figure is not strictly comparable with earlier data.

Source: Health and Social Services Department

KPI: Nitrate levels

Figure 4.8.2: Nitrate levels

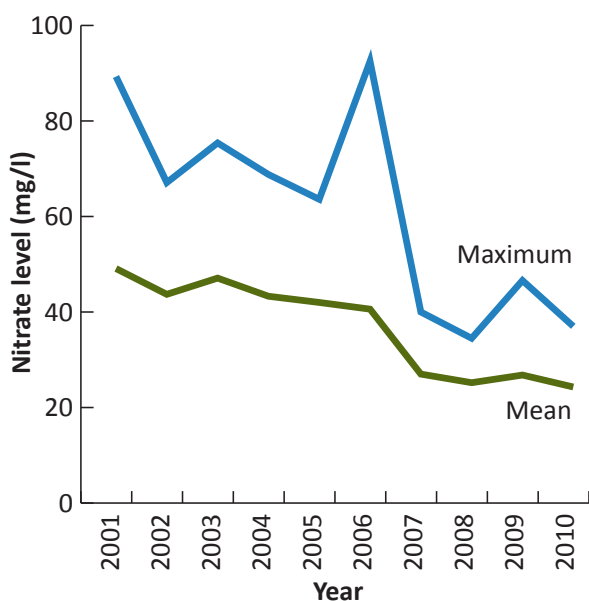


Table 4.8.2: Nitrate levels

	Maximum nitrate level (mg/l)	Mean nitrate level (mg/l)	Annual % change in mean
2001	89.3	49.1	-5.4
2002	67.1	43.7	-11.0
2003	75.4	47.1	7.8
2004	68.8	43.3	-8.1
2005	63.6	42.0	-3.0
2006	92.5	40.6	-3.4
2007	40.0	27.0	-33.5
2008	34.5	25.2	-6.7
2009	46.6	26.8	6.3
2010	37.0	24.3	-9.3

Source: Guernsey Water

KPI: Nitrate levels

Table 4.8.3: Compliance with waste licensing conditions

	No. licences (at March)	No. breaches of licensing conditions	Compliance (%)
2011	225	0	100

Source: Health and Social Services Department

More information can be sourced from Environmental Health and Pollution Regulation (see www.gov.gg/environmental-health). Additional data on air pollution can be found in the Facts and Figures booklet, via: www.gov.gg/pru.



5.1 Policy and Research Unit release dates 2011

All publications are released at 9:30am and are available on the website: www.gov.gg/pru

Please note that dates listed below are provisional.

Publication Date	Publication
Friday 21st January	Retail Prices Index Q4 2010
Wednesday 9th February	Residential Property Prices Q4 2010
Wednesday 23rd February	Annual Greenhouse Gas Bulletin
Wednesday 16th February	Inflation Outlook Q1 2011
Wednesday 16th March	Labour Market Bulletin Q4 2010
Wednesday 16th March	Annual Housing Stock Bulletin 2010
March / April	Annual Population Bulletin 2010
Wednesday 20th April	Retail Prices Index Q1 2011
Wednesday 11th May	Residential Property Prices Q1 2011
Friday 20th May	Inflation Outlook Q2 2011
Wednesday 15th June	Labour Market Bulletin Q1 2011
Friday 22nd July	Retail Prices Index Q2 2011
Wednesday 10th August	Residential Property Prices Q2 2011
Friday 19th August	Inflation Outlook Q3 2011
August / September	Facts and Figures Booklet 2011
Wednesday 21st September	Labour Market Bulletin Q2 2011
September	States Strategic Monitoring Report 2011
Friday 21st October	Retail Prices Index Q3 2011
Wednesday 9th November	Residential Property Prices Q3 2011
Friday 18th November	Inflation Outlook Q4 2011
Wednesday 14th December	Labour Market Bulletin Q3 2011
December	Annual Economic Overview 2011

Please contact us for further information.

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IN THE STATES OF THE ISLAND OF GUERNSEY ON THE 12TH DAY OF OCTOBER, 2011

**The States resolved as follows concerning Billet d'État No XVI
dated 2nd September 2011**

POLICY COUNCIL

THE STATES STRATEGIC PLAN 2011-2016

I. - After consideration of the Report dated 22nd August, 2011, of the Policy Council:-

A. Fiscal & Economic Policy Plan

1. To endorse the updated summary of the Fiscal & Economic Plan including the revisions to objectives as described in Section 13 (13.4 & 13.12).

B. Social Policy Plan

2. To endorse the updated summary of the Social Policy Plan including revisions to objectives as described in Section 14 (14.7 & 14.9).
3. To note that responsibility for the Drug and Alcohol and Domestic Abuse Strategies is being transferred from the Policy Council to the Home Department, along with appropriate budgetary provisions, and that existing Resolutions in relation to those Strategies should be construed accordingly.

C. Environmental Policy Plan

4. To endorse the updated summary of the Environmental Policy Plan including the revisions to objectives as described in Section 11 (Environmental Policy – General Objectives).

D. Statement of States Aims and Objectives and States Corporate Policies

5. To endorse the revised Statement of States Aims and Objectives as set out in the Plan Section 11.
6. To direct the Policy Council to take the Statement of Aims and Objectives (including Aims, General Objectives, and Specific Objectives) into account in making future recommendations to the States on the prioritisation of general revenue funding for service developments.
7. To confirm that the States Corporate policies continue to be valid for legal and regulatory purposes, as set out in the Plan Section 12.

E. Island Resource Plans for Population Management; Energy; and Strategic Land Use

8. To note the progress report on the development of a Population Management Plan as

described in Section 17.

9. To note the progress report on the development of an Energy Plan as described in Section 18.
10. To note the progress report on the development of a new Strategic Land Use Plan as described in Section 19.

F. Island Resource Plan for Infrastructure

11. To note the progress report on the development of an Island Infrastructure Plan as described in Section 20.
12. To direct all States Departments to prepare asset registers and develop long-term plans (for at least 20 years ahead), for completion no later than June 2013, to identify the likely scale of future investment necessary to maintain satisfactory physical infrastructure to deliver their mandates.
13. To direct the Treasury & Resources Department to provide States Departments with the necessary templates and guidance to produce the asset registers and plans within the June 2013 deadline ensuring that there is a consistent approach across government.
14. To direct all States Departments to ensure that in future all infrastructure-related capital projects are presented for States consideration within the context of a 20 year programme for the relevant area of investment concerned and that both capital and revenue cost estimates are provided.

G. The FTP and the Funding of New Service Developments

15. To endorse the progress report on the FTP as provided in Section 4 (Paragraphs 4.40 to 4.57).
16. To note the forecast that £1.8m will have been accrued from efficiency savings through the Financial Transformation Programme (FTP) during 2011 and will be available to fund New Service Developments in 2012.
17. To approve, in principle, the list of New Service Developments for 2012 as set out below and to direct that comprehensive cases for funding shall be prepared before final approval is given to each new initiative:
 - A. Restorative Justice Service (£57,000)
 - B. Implementation of Competition Law in Guernsey (£200,000)
 - C. Review the funding and organisational options for Guernsey Health and Social Care Services (£235,000)
 - D. Provision of temporary additional resources for the Office of the Children's Convenor (OCC) (£98,000)
 - E. Bowel Cancer screening in Guernsey (£328,000)
 - F. Family and Friends Care arrangements (£206,000)

- G. Provision of an adult learning disability short break (respite) service (£211,000)
 - H. Hansard service to report meetings of the States of Deliberation (£20,000)
 - I. Revenue funding to support Guernsey Training Agency (GTA) University Centre (£30,000)
18. To direct the Treasury and Resources Department to develop a policy for the future use of FTP savings and present it for States' consideration as part of the 2012 Budget Report.
- H. **Integrated Government**
19. To note the continuing development of the SSP process and its rôle in supporting good governance; efficient delivery of public services and financial discipline and management as described in Section 4.
20. To direct the States Assembly and Constitution Committee with immediate effect, to revise all relevant mandates to replace all references to the superseded Government Business Plan with references to the States Strategic Plan.
- I **Arrangements for 2012**
21. To note that the Policy Council will be re-publishing the Plan section of the SSP as it is approved by the States as a stand-alone document for distribution to the wider public.
22. To note the arrangements described in Section 6 for managing the SSP process during 2012 including the provision of an improved States Member induction programme led by the States Assembly and Constitution Committee.
- J **Other Matters**
23. To note all other sections of the 2011-2016 SSP review not specifically referred to in recommendations 1 to 22 above.

S M D ROSS
HER MAJESTY'S DEPUTY GREFFIER