IN THE STATES OF THE ISLAND OF GUERNSEY
ON THE 16th DAY OF NOVEMBER, 2016

(Adjourned from the 15th November, 2016)

The States resolved as follows concerning Billet d'État No XXVIII,
Dated 12th October 2016

POLICY & RESOURCES COMMITTEE

THE POLICY & RESOURCE PLAN - PHASE ONE
P. 2016/48

I:- After consideration of the Policy Letter of the Policy & Resources Committee entitled "The Policy & Resource Plan - Phase One", dated 10th October 2016:-

1. **To approve the updated Fiscal Policy Framework, as set out in Appendix 2 to that Policy Letter, but subject to pages 5 and 9 of Appendix 2 being modified as follows**:

   a) by inserting the words "*through an appropriate combination of reductions in expenditure and revenue-raising measures*" immediately after the italicised words "*Identified deficits will be addressed within five years of their appearance"* in

      (i) the second line of the part entitled '4. Clear limitations on acceptable temporary deficits' on page 5, and

      (ii) in the third bullet point of paragraph 8.2 on page 9;

   b) by inserting the words "*unless an appropriate combination of measures to remedy the deficit has been agreed and is being implemented*" immediately after the italicised words "*so as not to grow in real terms at the aggregate level*" in

      (i) the sixth line of the part entitled '4. Clear limitations on acceptable temporary deficits' on page 5, and

      (ii) in the fifth bullet point of paragraph 8.2 on page 9;.

2. **To commit to achieving and maintaining a balanced budget in the short-term and surplus in the medium-term.**

3. **To approve phase one of the Policy & Resource Plan, as set out in Appendix 1 to that Policy Letter, but subject to pages 7, 8, 9, 10, 11, 12, 13 and 14 in Appendix 1 being modified as follows:**

a) on page 7, in the section entitled "OUR ECONOMY" under the sub-heading "Strong, sustainable and growing economy" in between sentences three and four, by the insertion of the following two sentences:

"A strong economy is essential to maintain high rates of employment, low rates of unemployment and a diverse range of well-remunerated jobs. Without a strong economy the States will not have the revenue necessary to pursue social welfare programmes or invest in vital public services and infrastructure.",

b) also on page 7, in the section entitled "OUR ECONOMY" under the sub-heading "Strong, sustainable and growing economy", by the omission from the five bullet points the following bullet point:

- Ensure conditions that encourage and foster enterprise and remove barriers to business, keeping regulation appropriate and proportionate,

and the addition to those bullet points of the following bullet points:

- Ensure conditions that encourage and foster enterprise and remove barriers to business, keeping regulation appropriate and proportionate, subject to environmental and social safeguards.

- Maintain, enhance and promote Guernsey's rich marine and terrestrial environment as a high value resource which underpins our economy.

c) further on page 7, in respect of the following bullet point which was added under the sub-heading "Strong, sustainable and growing economy":

- Ensure conditions that encourage and foster enterprise and remove barriers to business, keeping regulation appropriate and proportionate, subject to environmental and social safeguards,

by deletion of the words "subject to" and substitution therefor of the words "whilst respecting",

d) on page 8, in the section entitled "OUR ECONOMY" under the sub-heading

"Sustainable public finances" and in between sentences two and three of the first paragraph, by the insertion of the following two sentences:

"Indeed in recent years States' expenditure has fallen significantly in relation to the size of the Island's economy. There is some scope for further efficiency savings, but it must be recognised that Guernsey already spends less per capita on public services and infrastructure than many comparable jurisdictions."

e) also on page 8, under the sub-heading "Sustainable public finances" by the deletion of the second paragraph and substitution therefor of the following paragraph:

"As a matter of priority the budget of the States must be balanced and surpluses generated. The deficit cannot reasonably be eliminated nor reserves rebuilt by spending cuts alone or tax increases alone. The former would imperil vital public services and investment in essential infrastructure; the latter would be unfair and imprudent and may depress economic activity. Ideally, in the years ahead, economic growth will make at least some contribution to improving public finances, but it would be unwise to rely on ambitious levels of economic growth.

As such the States will pursue a moderate, balanced responsible approach which recognises the need to restrain public expenditure and raise additional revenue.

Additional revenue will be raised as far as possible from individuals and entities most able to bear the burden. Restraining public expenditure will require the prudent management of financial resources, people and physical infrastructure.

The States also need to rethink the delivery of some public services to ensure that they are financially sustainable and provided efficiently whilst meeting public need."

f) further on page 8 under the sub-heading "Sustainable public finances" -

(i) at the end of the second bullet point, by the addition of the following wording:

"which will reflect the commitment of the States to encourage economic growth; restrain public expenditure by requiring further efficiency savings and the prudent management of financial resources, people and physical infrastructure; and raise additional revenue as far as possible from individuals and entities most able to bear the burden", and

(ii) at the end of the third bullet point, by the addition of the following wording:

"without contravening any part of the States' Fiscal Policy Framework" and

(iii) to the deletion of the sixth bullet point and substitution therefor of the following bullet point:

- Ensure that the States' commercial and semi-commercial entities and other States' assets are maximised, making an appropriate return to the States but without placing a disproportionate burden on customers, many of whom are inevitably on low incomes,

g) further on page 8, under sub-heading "Sustainable public finances" by the addition to the seven bullet points of the following bullet point:

- Ensure competitive recruitment and retention of quality, skilled professionals, balanced with appropriate scrutiny including control and review of staffing costs, grading and pay awards, and effective performance management, within the public sector.

h) on page 9, under the part of Appendix 1 entitled 'Healthy Community' , by the deletion of the four bullet points commencing with "Continue to deliver the Public Service Reform agenda…" and concluding with "…for the benefit of the community's health and wellbeing" and the substitution therefor of the following six bullet points:

- Focus on the promotion of health and wellbeing, and the prevention of, early intervention in, and protection from negative health outcomes
- Support the continuing transformation of the health and social care system, across and in partnership with the public, private and voluntary sectors
- Provide health and social care services that respect individual needs and promote independence and personal responsibility
- Provide timely and appropriate diagnosis, treatment, support and care, based on need, for all those who need to access it
- Treat mental health with equal consideration and priority to physical health
- Encourage and facilitate active lifestyles, and access to Guernsey's rich natural and cultural environment, for the benefit of the community's health and mental wellbeing, recognising the many social determinants of health.

i) on pages 10 and 11, in the section of Appendix 1 entitled 'Safe and secure place to live' by the omission from the ten bullet points of:

- Ensure the built environment is of a high quality, reflecting our local distinctiveness and meeting the needs of businesses based in Guernsey
- Mitigate the adverse effects of climate change on our environment, improve our sustainability in the future and work to reduce the negative impacts of our activity on the local and global environment
- Consider the importance of our marine environment as well as its potential for supporting economic growth

and the addition to those bullet points of the following:

- Ensure the natural and built environments are of a high quality, reflecting our local distinctiveness and meeting the needs of the entire community in Guernsey
- Prevent and mitigate the adverse effects of climate change on our environment and reduce our contribution to global climate change
- Understand and promote the importance of our marine and coastal environments and ensure the potential for economic gain does not compromise their health or protection
- Prioritise, resource and implement extant environmental strategies and policies
- Protect and enhance our natural environment.

j) on page 11, in the section of Appendix 1 entitled "OUR COMMUNITY" -

(i) by deletion of :

(A) the sub-heading "Inclusive and equal community", and

(B) all three paragraphs appearing after the sub-heading, and

(ii) substitution therefor of:

(A) the sub-heading: "One community: inclusive and committed to social justice", and

(B) the following paragraphs:

"The previous States made progress in this area, developing and approving strategies and plans that, when implemented, will see improvements in inclusion and social justice in our island. Whilst most people in Guernsey have a good standard of living and a high quality of life, this is not universal. There are some individuals who, for a variety of reasons, are not able to enjoy a

standard of living or level of participation in society that would be deemed acceptable against independent measures of wellbeing.

We want to be an open, forward-looking people; to celebrate difference and diversity and freedom of expression; but to be one community bound by a commitment to inclusion and social justice.

We want our community to come together as a single unit: integrated and supportive of each other. A community where people look out for one another but also understand the importance of personal responsibility. Inclusion and equality of opportunity should exist from birth into adult life in areas such as education, the workplace and the community. Guernsey should be a place where no-one gets left behind.

We place equal emphasis on standard of living and quality of life.

The previous States have agreed, most recently in 2016, that for a variety of reasons some individuals and families suffer from levels of financial deprivation and social exclusion which are wholly unacceptable in a generally prosperous society. We recognise that the success of a society is affected not just by how wealthy it is but also by the wellbeing of all its people.

We want to understand better the extent of relative poverty and income inequality in Guernsey and their effects on individuals, families and the prosperity and wellbeing of society generally."

k) on page 12, by deletion of the first bullet point (where it appears at the top of that page) and substitution therefor of the following bullet point:

Prioritise, resource and implement social policy initiatives which were agreed by the 2012-16 States, including in relation to: disability and inclusion; supported living and ageing well; children and young people; mental health and wellbeing; and a social welfare system which unifies housing and income benefits and directs financial assistance to those in most need, as developed by the former Social Welfare Benefits Investigation Committee.

l) also on page 12, in the last bullet point (above the sub-heading “Lifelong learning”), by the deletion of the words “Promote and support access to sport and the arts” and substitution therefor of the words “Support, nurture and promote access to sports and the arts through the dynamic and efficient use of all resources available”.

m) further on page 12, under the sub-heading “Lifelong learning”, by the deletion of both paragraphs and substitution therefor of the following paragraph:

“The learning environment provided by the public and private sectors in Guernsey is excellent. However, continuous improvement is essential. Education has a unique power to unlock opportunity for every individual and

to secure a future of economic prosperity and social inclusion for our Islands. We want every child to receive a first class education as a right and not a privilege. This should be reflected both in high levels of attainment in every school and in learners' wellbeing and personal development. We want everyone in our community, recognising their diversity, to have the opportunity to develop the knowledge, understanding and skills to be adaptable and resilient and to pursue happy, healthy and fulfilling lives, contributing to the success of our economy.

We want people to have a lifelong enjoyment of learning, not just for the benefit of their work lives but also for their health and wellbeing. The quality and depth of education and lifelong learning will in part determine how successfully we are able to meet the complex challenges of the present and the future."

n) further on page 12 under the sub-heading "Inclusive and equal community" by the addition to the eight bullet points of the following bullet points:

- Recognise the value of early years, partnering with families and communities to ensure every child has a nurturing and supportive start in life
- Deliver on our responsibilities as Corporate Parent for all children in statutory care, including young care leavers",

o) on page 13, in the last bullet point under the part of the Plan entitled "Lifelong learning" by the deletion of the words "Improve digital and financial literacy across our community, for young" by substitution therefore of the words "Improve digital and financial literacy across our community, for young and old",

p) also on pages 12 and 13, subject to the addition to the three bullet points under the part of Appendix 1 entitled 'Lifelong learning' of the following:

- Foster individual and community participation in local nature conservation and enhancement to create a sense of ownership of and responsibility for our unique island environment amongst all ages",

q) further on page 13, by the omission from the six bullet points under the sub-heading "Centre of Excellence and innovation" of the following:

- Remove barriers to business, keeping regulation appropriate, proportionate and at a minimum",

and the addition to those bullet points of the following:

- Remove barriers to business, keeping regulation appropriate and proportionate whilst respecting social and environmental safeguards”,

r) further on page 13 under the sub-heading "Centre of excellence and innovation" by the addition of the following two bullet points:

- Promote innovation within the public sector and its partners, and in pursuit of the realisation of government policies and strategies
- Promote the pursuit of skills in science, technology, engineering and mathematics, providing opportunities for young men and women to gain the strong technical skills that underpin a creative, innovative society",

s) further on page 13, subject to the deletion of the word “young“ where it appears in the following bullet point, which was added to the six bullet points under the sub-heading "Centre of excellence and innovation" -

- Promote the pursuit of skills in science, technology, engineering and mathematics, providing opportunities for young men and women to gain the strong technical skills that underpin a creative, innovative society.”,

t) on page 14, in the fifth bullet point under the sub-heading “Mature international identity” by the deletion of the words “Protect and promote our unique identity and rich heritage, including through our culture and arts” and substitution therefor of the words “Protect and promote our unique identity, language and rich natural and cultural heritage, including through our culture and arts”.

4. **To direct the Principal Committees and the Policy & Resources Committee to prepare policy plans in accordance with guidelines to be issued by the Policy & Resources Committee, to be submitted to the Policy & Resources Committee for consideration no later than 31st March 2017.**

J TORODE
HER MAJESTY’S GREFFIER