



BILLET D'ÉTAT

WEDNESDAY, 27th JUNE, 2018

XVIII
2018

ELECTIONS AND APPOINTMENTS

1. Election of a President of the States' Trading Supervisory Board, P.2018/60

LEGISLATIVE BUSINESS

Legislation Laid Before the States

The Libya (Restrictive Measures) (Guernsey) Ordinance, 2016

Legislation for Approval

2. Development & Planning Authority - The Land Planning and Development (Exemptions) (Amendment) Ordinance, 2018, P.2018/49

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BILLET D'ÉTAT

TO THE MEMBERS OF THE STATES OF THE ISLAND OF GUERNSEY

I hereby give notice that a Meeting of the States of Deliberation will be held at **THE ROYAL COURT HOUSE**, on **WEDNESDAY**, the **27th June, 2018** at **9.30 a.m.**, to consider the items listed in this Billet d'État which have been submitted for debate.

R. J. COLLAS
Bailiff and Presiding Officer

The Royal Court House
Guernsey

11th June, 2018

**ELECTION OF A PRESIDENT OF THE
STATES' TRADING SUPERVISORY BOARD**

The States are asked:

To elect a sitting Member of the States as President of the States' Trading Supervisory Board to complete the unexpired term of office, that is to the 30th June 2020, of Deputy C. N. K. Parkinson who has resigned from that office, and whose letter of resignation is appended hereto, in accordance with Rule 16 of The Rules of Procedure of the States of Deliberation and their Committees, as set out in Section 1 thereof.

(N.B.

- 1. Pursuant to the Constitution of the States' Trading Supervisory Board, a President of the Board is elected on the recommendation of the Policy & Resources Committee and shall not be the President or a member of the Transport Licensing Authority.**
- 2. Pursuant to paragraph 4 of Rule 16 of The Rules of Procedure of the States of Deliberation and their Committees the election will be conducted as follows:**
 - (a) The Presiding Officer will invite the President of the Policy & Resources Committee to propose a candidate. Another Member will second the nomination;*
 - (b) the President of the Policy & Resources Committee may then speak for not more than five minutes following which the candidate may speak for not more than ten minutes.)*

The Bailiff
The Bailiff's Chambers
Royal Court House
St Peter Port
GY1 2NZ

8th June 2018

Sir

In accordance with Rule 37(4) of The Rules of Procedure of the States of Deliberation and their Committees, I hereby tender my resignation as President and Member of the States' Trading Supervisory Board.

I understand that I will remain in post until a successor has been appointed by the States of Guernsey.

Yours faithfully

SIGNED

Deputy Charles Parkinson
President
States' Trading Supervisory Board

ORDINANCE LAID BEFORE THE STATES

THE LIBYA (RESTRICTIVE MEASURES) (GUERNSEY) ORDINANCE, 2016

In pursuance of the provisions of the proviso to Article 66A(1) of The Reform (Guernsey) Law, 1948, as amended, "The Libya (Restrictive Measures) (Guernsey) Ordinance, 2016", made by the Legislation Select Committee on the 2nd February, 2016, is laid before the States.

EXPLANATORY MEMORANDUM

This Ordinance is made under the European Communities (Implementation) (Bailiwick of Guernsey) Law, 1994 and, subject to certain modifications, gives effect in Guernsey to Council Regulation (EU) No. 2016/44 of the 18th January, 2016, concerning restrictive measures in view of the situation in Libya.

The Ordinance was made by the Legislation Select Committee in exercise of its powers under Article 66(3) of the Reform (Guernsey) Law, 1948, and came into force on the 2nd February, 2016. Under the proviso to Article 66A(1) of the Reform (Guernsey) Law, 1948, the States of Deliberation have the power to annul the Ordinance.

The full text of the legislation included in this document can be found at <http://www.guernseylegalresources.gg/article/90617/Ordinances>

**THE LAND PLANNING AND DEVELOPMENT (EXEMPTIONS) (AMENDMENT)
ORDINANCE, 2018**

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Land Planning and Development (Exemptions) (Amendment) Ordinance, 2018", and to direct that the same shall have effect as an Ordinance of the States.

This proposition has been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1) of the Rules of Procedure of the States of Deliberation and their Committees.

EXPLANATORY MEMORANDUM

This Ordinance substitutes the existing exemption (from the requirement to obtain planning permission) for election signs in the Land Planning and Development (Exemptions) Ordinance, 2007. The main change is to add, in new paragraph 4(b), an exemption for the temporary display of signs promoting campaigns in relation to, or the subject matter of which is otherwise in connection with, a referendum to be held in Guernsey under legislation; it covers signs which are displayed during the period immediately preceding a referendum. The current similar exemption for signs in relation to States or Parish elections is retained but the wording has been reordered. The amendment has been made because of the referendum on Island Wide Voting, planned to be held in October, 2018, but is worded generally to apply to any referendum held under legislation in Guernsey.

The Land Planning and Development (Exemptions) (Amendment) Ordinance, 2018

THE STATES, in pursuance of their Resolution of the 22nd June, 2017^a, and in exercise of the powers conferred on them by sections 28 and 89 of the Land Planning and Development (Guernsey) Law, 2005^b, and all other powers enabling them in that behalf, hereby order:-

Amendment of the 2007 Ordinance.

1. (1) The Land Planning and Development (Exemptions) Ordinance, 2007^c is amended as follows.

(2) For paragraph 4 (election signs) of Class 8 (signs and advertisements) of the Schedule (exempt development) substitute the following paragraph –

"Election signs.

4. Temporary display of a sign, including on or within the curtilage of a protected building or a protected monument, which –

(a) promotes a candidate at, or the subject matter of

^a Article IX of Billet d'État No. XIV of 2017.

^b Order in Council No. XVI of 2005 to which there are amendments not relevant to this Ordinance.

^c Ordinance No. XXIII of 2007 as amended by Ordinance No. IX of 2016 and No. IV of 2017.

which is otherwise in connection with, an election for any States or Parish office and which is displayed during the period immediately preceding the election, or

- (b) promotes a campaign in relation to a question to be asked at a referendum to be held in Guernsey pursuant to an enactment, or the subject matter of which is otherwise in connection with such a referendum, and which is displayed during the period immediately preceding the referendum."

Interpretation.

2. Any reference in this Ordinance to an enactment is a reference thereto as from time to time amended, re-enacted (with or without modification), extended or applied.

Citation.

3. This Ordinance may be cited as the Land Planning and Development (Exemptions) (Amendment) Ordinance, 2018.

Commencement.

4. This Ordinance shall come into force on the 27th June, 2018.

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE *for* ECONOMIC DEVELOPMENT

STATES OF GUERNSEY ECONOMIC DEVELOPMENT STRATEGY

The States are asked to decide:-

Whether, after consideration of the policy letter entitled 'States of Guernsey Economic Development Strategy' dated 18th May, 2018, they are of the opinion:-

1. To note that the States of Guernsey Economic Development Strategy set out in the Committee's policy letter builds on the Committee *for* Economic Development's policy plan, as approved by the States on 30th June, 2017, and the policies of the Policy & Resource Plan, as approved by the States on 8th November, 2017.
2. To approve the States of Guernsey Economic Development Strategy set out in the Committee's policy letter.

The above Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1) of the Rules of Procedure of the States of Deliberation and their Committees.

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE *for* ECONOMIC DEVELOPMENT

STATES OF GUERNSEY ECONOMIC DEVELOPMENT STRATEGY

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

18th May, 2018

Dear Sir

1 Executive summary

- 1.1 In this policy letter, the Committee *for* Economic Development (the “Committee”) puts forward a vision for Guernsey’s economy, both in the longer term (to 2030) and the present day, and proposes a strategy to enable the States of Guernsey to achieve this vision.
- 1.2 The Committee has prepared this policy letter under its mandated responsibility to advise the States and develop and implement policies relating to its purpose, and with regard to the objectives of the States of Deliberation (the “States”), as set out in phases one and two of the Policy & Resource Plan, as approved by the States in 2016 and 2017, respectively.
- 1.3 The Committee has set out in this policy letter its intention to enable the States of Guernsey to diversify and grow the economy; to secure long-term prosperity; reaffirm that Guernsey is open for business; and more actively monitor and report on our economy and act on those insights.
- 1.4 This approach is both ambitious in scope and rooted in pragmatism, and the Committee is confident that these ambitions can be realised with the resources available to the States.

2 Introduction – a vision for the economy

- 2.1 The Committee has prepared this policy letter with regard to its mandated responsibility to advise the States and to develop and implement policies relating to its purpose, which is:

“To secure prosperity through the generation of wealth and the creation of the greatest number and widest range of employment opportunities possible by promoting and developing business, commerce and industry in all sectors of the economy.”

- 2.2 The Committee has also prepared this policy letter with regard to the objectives of the States as set out in the Policy & Resource Plan.

- 2.3 In November 2016, the States agreed, as part of phase one of the Policy & Resource Plan¹, the objective that:

“Our economy is successful and productive, and while it specialises in a number of broad areas such as financial services, digital services and hospitality and tourism, there is already some diversification within those areas. We believe this is the result of being innovative and flexible, taking advantage of opportunities that have arisen. We want our economy to continue to be strong, to be sustainable and to continue growing. 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. Successful businesses are an important part of our economy, supporting our quality of life and community. Government’s focus should be on ensuring we have the right conditions for businesses to set up, grow and operate successfully. Given the resources available, we need to prioritise high-value and low-footprint industries. We need to create conditions that encourage and foster enterprise, and ensure that we have sufficient workers with the necessary skills to support the economy now and in the future. We also need to make sure that those who want to work can work, and to help them maximise their working lives.”

- 2.4 To achieve that, the States said that it would undertake the following:

- *“Ensure conditions that encourage and foster enterprise and remove barriers to business, keeping regulation appropriate and proportionate, whilst respecting environmental and social safeguards;*
- *Ensure the provision of reliable, sustainable and affordable sea and air links;*

¹ Billet d’Etat XII (2017)

- *Focus on maintaining an appropriately-sized working population;*
- *Look to remove barriers that are discouraging or preventing some people from pursuing or remaining in paid employment and provide additional support to those who need it to find and sustain employment;*
- *Promote Guernsey as an attractive place to work and live in order to encourage the retention of our current workforce, the return of those who have chosen to gain life experience in other jurisdictions, and to attract those who may bring valuable skills to the Island; and*
- *Maintain, enhance and promote Guernsey's rich marine and terrestrial environment as a high value resource which underpins our economy."*

- 2.5 In so doing, the States acknowledged that in order to maintain and grow the Island's economy, Guernsey's brand needs to evolve, and that the Island needs to enhance its reputation as an international centre of excellence for innovative business.
- 2.6 In June 2017, the States agreed the policy objectives of the Committee, as part of phase two of the Policy & Resource Plan².
- 2.7 The Committee is aware that our community needs a vision – a clear view of what we are aiming to achieve. This report is an opportunity for the States and the community to consider and provide feedback on the Committee's view of what Guernsey's economy should look like and how this will be achieved. The Committee considers this is a statement of how it intends to boost the economy to create a positive future for Guernsey and the Bailiwick.
- 2.8 Although the Committee has already met with business representative groups, businesses, and other stakeholders, these discussions will continue in order to prioritise ideas and develop models for partnership. The Committee recognises that this work must be facilitated by the Committee not in isolation but together with businesses and the wider community, and with the other Committees of the States.
- 2.9 There are many changes and challenges on the horizon – not just the demographic challenge and the need to increase the size of Guernsey's economically active population, but also in the face of emerging technologies which may lead to the robotisation of some business activities. The Committee feels it is important that it identifies current and future drivers of economic growth, and proposes policies to ensure Guernsey is best placed to take full advantage of a rapidly changing global economic landscape. In order to be equipped to face these, the States, business, and the Island needs to be outward-looking and open. The Committee is involved in work being coordinated by the Policy & Resources Committee, to address the issues arising out of the UK's exit

² Billet d'Etat XII (2017)

from the European Union ('Brexit'), including participation in the UK's future economic partnership with the EU, and extending to the Bailiwick the UK's membership of the World Trade Organisation, and the extension of UK future trade agreements. The Brexit work presents challenges and opportunities for Guernsey which will depend on the outcome of the UK-EU negotiations, and it will be important that the strategy can adapt to these emergent factors in order to secure the best possible long term outcomes.

- 2.10 To achieve growth in the economy, the Committee intends to focus on Guernsey's core competitive values of stability, quality and innovation in order to:
- Maintain - building on what we do well now, and enabling development in those areas;
 - Diversify and grow - achieving diversification into new areas of economic activity to secure long-term prosperity;
 - Reaffirm that Guernsey is open for business through the actions we take; and
 - More actively monitor and report on our economy, and use those insights to inform our actions.
- 2.11 Our critical strengths will continue to include constitutional stability, the rule of law, substantial human capital through a well-educated, highly-skilled population, nimble decision making, the English language, a safe and secure environment, a time-zone convenient for global business, and world-class digital connectivity. It is important that we promote this offer and our successes around the world, and the Committee will continue to actively support the promotion of Guernsey as a place to do business.
- 2.12 Utilising these strengths will enable Guernsey to maintain and strengthen its status as a high value economy – that is, one which focuses on activities that generate a large margin between the final price of a good or service and the cost of inputs used to produce it, and thus create higher profits for businesses and higher wages for employees. This will provide sustainable prosperity, enabling us to maintain and grow our existing economic sectors, to support emerging sectors and ideas, and to diversify into new areas that build on what we do well today.
- 2.13 Whilst maintaining our support for the financial services industry, the Committee sees opportunities in other sectors including higher education (where Guernsey can leverage the world-class brand of the UK), medical technology ('medtech' – where Guernsey already has an emerging sector), renewable energy (natural resources of solar, wind, marine current and tidal energy), data analytics and processing, and data governance and digital services.

- 2.14 The types of businesses that we most want to attract are ‘scale ups’ in high value added industries, including *inter alia* the sectors set out in 2.13. In this context, the term ‘scale-up’ describes the process in the business cycle whereby an existing business is seeking to expand, achieve new investments, and seek new market opportunities.
- 2.15 The types of people we want to attract are ambitious entrepreneurs who want to take advantage of the work/life balance Guernsey offers – a high quality of life in a safe, conveniently-connected location with a low-tax and professional environment.
- 2.16 The Committee’s view is that targeted investment in the economy is needed. We welcome the establishment of the Guernsey Investment Fund, and support the setting up of further cells as part of that fund. The Committee also welcomes the commitment of the Policy & Resources Committee and the States to replenish the Future Guernsey Economic Fund in order to invest in the economy³.
- 2.17 The Committee acknowledges the need to prioritise existing resources, both in terms of people and funding, and that there is no point in setting out a vision for the economy if it is not achievable. The work set out below will form the basis of an operational plan with key performance indicators.
- 2.18 Whilst the Committee is part of the States of Guernsey, it recognises our economy is linked closely to that of Alderney – with whom we are effectively in fiscal union – and of Sark. The Committee will remain cognisant of the mutual benefit of Guernsey, Alderney and Sark having strong economies, and where appropriate and practical will seek to work with its counterparts in Alderney and Sark in order to strengthen those economies.

3 Guernsey’s economy today

- 3.1 By most measures and international comparisons Guernsey is a successful economy. The total GDP⁴ for 2016 is restated as £2,868 million with a GDP per capita of £45,913. However, despite real annual GDP growth of 0.6% in 2016, cumulative growth between 2009 and 2016 has totalled less than 1% in real terms due to contractions in 2010 and 2012. Real growth in 2015 and 2016 was weak, echoing economic performance, where growth has slowed as inflation has risen. Whilst GDP growth indicates success in terms of economic output, GDP by itself is not a complete measure of living standards – for example in 2015 21.3% of the population lived in households with less than 60% of net median income per equivalent adult, reduced from 22.3% the previous year. This reflects the

³ Billet d’Etat XXVI (2016)

⁴ Guernsey Annual GVA and GDP Bulletin 2016 (First Estimates), issued on 7th December 2017

need to ensure that economic growth policies have a real impact on living standards, not just GDP growth.

- 3.2 The Chamber of Commerce Young Business Group's 2017 business trends survey⁵ shows that Guernsey businesses continue to remain confident about their future. A majority predict that their revenue and profit growth will be either "substantially" or "slightly up" for the year ahead while the number of those who believe profitability will fall is less than in previous years. However the overall confidence in the economy's medium-term prospects is uncertain. To some extent this reflects national and international uncertainties such as the impacts of Brexit and global economic growth.
- 3.3 As with other developed economies, productivity is the driver of sustained economic growth. While Guernsey does not currently collect data on working hours to facilitate a formal measure of productivity, factor income (the output generated by active economic sectors) per worker can be used as a proxy. Whilst output is high, at nearly £81,000 per employed person in 2017, this is 0.9% lower in real terms than in 2009⁶. In part this reflects a growth in activity and employment outside of the finance sector and highlights the challenge of diversifying the economy while maintaining the high level of productivity Guernsey has enjoyed since finance services developed in Guernsey.
- 3.4 This is also set against a backdrop of a growing proportion of the population that is not economically active and a recent trend of net emigration. While the trend of net migration has slowed significantly since 2014, the continuation of low levels of net emigration from Guernsey is placing a downward pressure on our working age population⁷. Combined with the progression of our large baby boom generation into retirement, the working age population has fallen 5% from the last peak in 2011⁸. However this has been balanced by increasing levels of workforce participation which have increased in almost every age group across

⁵ Island Global Research – Guernsey Young Business Group 2017 Business Trends Survey, available at: <http://www.guernseychamber.com/chamber-news/guernsey-young-business-group-2017-business-trends-survey-report/>

⁶ Estimates derived by Strategy and Policy from raw data supporting Guernsey Annual GVA and GDP Bulletin 2016 (First Estimates) (Issue date 7th December 2017). <https://www.gov.gg/CHttpHandler.ashx?id=111088&p=0>

⁷ Guernsey Annual Electronic Census Report - Population at 31st June 2017, Employment and Earnings at 31st December 2017. Issue date 26th April 2018 (see table 2.1.2) <https://gov.gg/CHttpHandler.ashx?id=112878&p=0>

⁸ Guernsey Quarterly Population, Employment and Earnings Bulletin - Population at 31st June 2017, Employment and Earnings at 31st December 2017. Issue date 26th April 2018 (see table 2.2.1) <https://gov.gg/CHttpHandler.ashx?id=112878&p=0> Fig 4.1.1 details annual population changes by age group 2014-2017

both genders⁹. As a result, by the end of 2017 registered unemployment in Guernsey had fallen to its lowest level since 2009¹⁰ and the total number of people employed or self-employed in Guernsey (adjusted for seasonal changes) has increased to the highest level on record¹¹. In the long term, workforce participation rates have natural limits and are unlikely to be able to compensate for the fall in the working population.

The case for change

3.5 Whilst there is confidence, it is only for the short-term and easily lost if we are not decisive and active in stimulating the economy. Investment is needed in infrastructure and entrepreneurialism. The view of the Committee is that we must maintain and grow our existing sectors; support emerging sectors and encourage diversification; demonstrate that Guernsey is open for business; and, following the restated GDP figures and the trends they highlight, monitor the economy and productivity more effectively.

3.6 We also need to consider the resilience of our economy. The finance sector is, and will continue to be, integral to our economic model as a key engine of growth but we must encourage diversity both within that sector and across the economy as a whole. This will ensure that we can resist any future internal or external shocks. In order to do this, Guernsey needs to demonstrate that it is open for business by prioritising enablers such as skills, cutting red tape, and maintaining Guernsey's competitive advantage.

4 The role of government

4.1 The role of the States of Guernsey is to maintain a commitment to Guernsey businesses to support them in competitive markets and address the factors responsible for limiting growth and productivity. This can be done by investing in our community's skills and infrastructure, and by maintaining an internationally competitive economic environment.

4.2 We must also promote the many reasons we have to be positive. The best example is our finance sector, an acknowledged international centre of excellence which provides investment capital to the UK and global economies,

⁹ Estimates derived by Strategy and Policy from raw data supporting Guernsey Annual Electronic Census Report - Population at 31st June 2017, Employment and Earnings at 31th December 2017

Issue date 26th April 2018

¹⁰ Guernsey Quarterly Population, Employment and Earnings Bulletin - Population at 31st June 2017, Employment and Earnings at 31th December 2017. Issue date 26th April 2018 (see figure 6.1.1)

¹¹ Derived by Strategy and Policy from raw data supporting Guernsey Quarterly Population, Employment and Earnings Bulletin - Population at 31st June 2017, Employment and Earnings at 31th December 2017
Issue date 26th April 2018

making a positive contribution to prosperity beyond these shores. Combined with the adherence to international standards of transparency, probity and financial stability means that Guernsey is a jurisdiction that provides certainty and security to the investor.

- 4.3 During 2018, the Committee has again considered how Guernsey can diversify its economy. These considerations included how we might best use our assets – our people, skills, and expertise; our natural resources; and our infrastructure. The Committee also considered potential benefits, in terms of economic growth, increased investment, and greater numbers of high value jobs; how innovation would need to be balanced with our social and environmental objectives; and how aspiration needed to be balanced with achievability.
- 4.4 Investing in our community's skills needs a government-wide approach through strategies which build the skills of the future into our education system and enable flexible career choices to be made by individuals of all ages through appropriate training. With that in mind the Committee will work closely with the Committee *for* Education, Sport & Culture on the development of training agencies which will deliver lifelong learning opportunities and workforce training strategies; and with the Committee *for* Home Affairs to develop a flexible and responsive population management regime to provide the workforce which we cannot provide on-Island.
- 4.5 Guernsey's infrastructure provides the fundamental facilities and systems serving the Island, including those necessary for the economy to function. Appropriate investment in infrastructure is therefore critical for continuing economic growth. We need to invest in transport infrastructure, digital infrastructure, and housing – and doing so will boost the economy. The Committee will work closely with the Committee *for the* Environment & Infrastructure on the States' long-term infrastructure plan; the Development & Planning Authority on the positive development opportunities available through the Island Development Plan; and with the Policy & Resources Committee on supporting investment through the capital programme.
- 4.6 Maintaining a competitive environment means we need to further strengthen our transport and digital connectivity; to cut unnecessary red tape; to meet international standards on areas such as data protection and information exchange; to understand our approach to risk as an economy; and to keep taxes low through ensuring our public services are efficient.

5 Overview of the Economic Development Strategy

- 5.1 The economic development strategy put forward by the Committee seeks to achieve growth in the economy by focusing on four core areas, which seek to:
- build on what we do well now (**maintain**);
 - achieve diversification into new areas of economic activity to secure long-term prosperity (**diversify and grow**);
 - Reaffirm that Guernsey is open for business through the actions we take (**open for business**); and
 - More actively monitor and report on our economy, and use those insights to inform our actions (**monitoring the economy**).
- 5.2 The Committee has identified key areas of work under each of these core headings, which it will pursue working alongside other States Committees and with external partners. These key areas of work are set out in the following sections and summarised in figure 1, below.

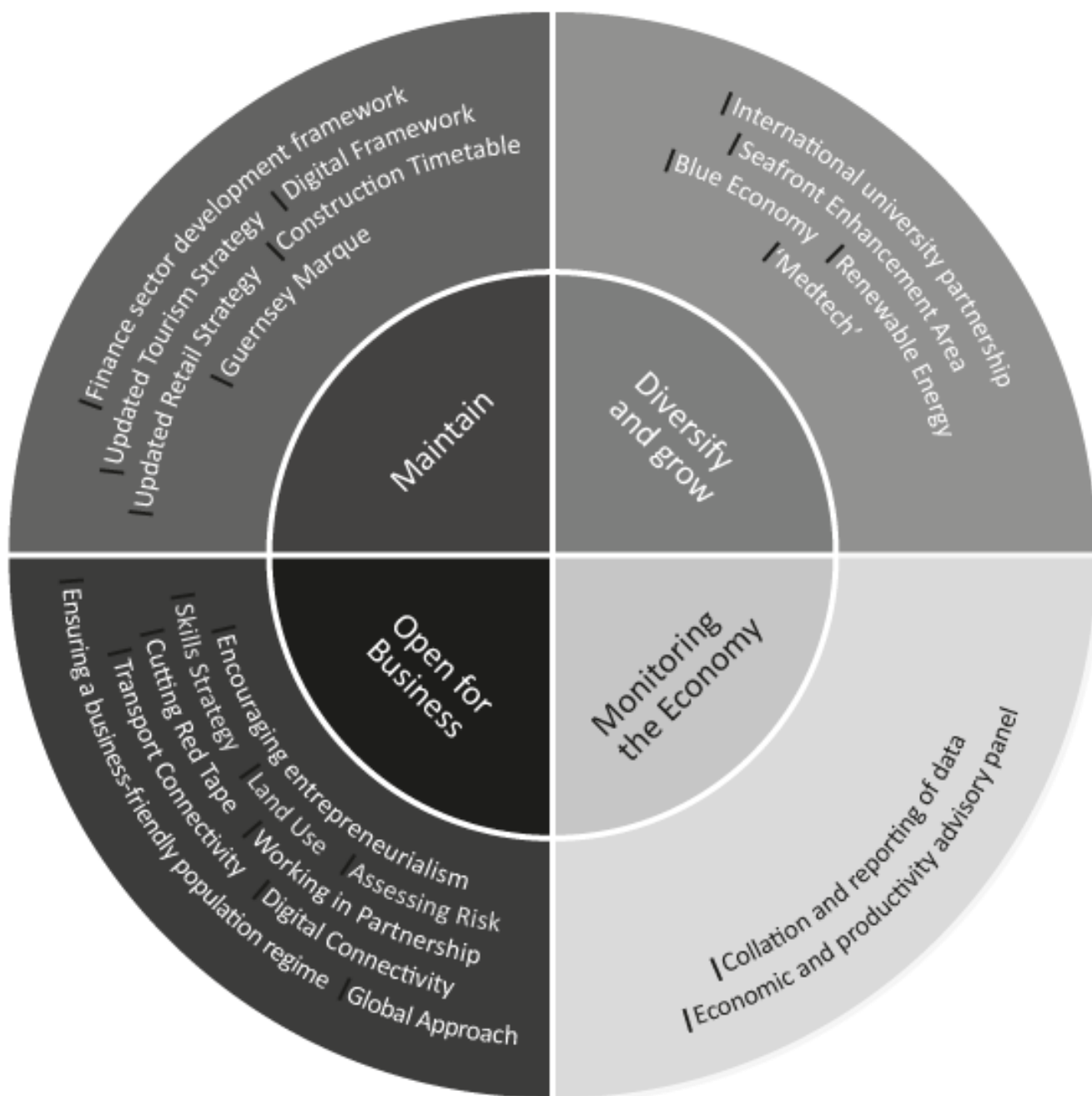


Figure 1 'Overview of the Economic Development Strategy'

6 Maintaining and growing our existing economic sectors

6.1 Finance sector

- 6.1.1 Guernsey's finance sector – rightly – has a global reputation for quality, security, innovation, and meeting international standards. It is supported by world-class professional services and an internationally-recognised regulatory framework. The sector is the central pillar of Guernsey's economy and will continue to be so. The tax receipts it generates significantly help to fund public services, and additionally it supports our community through corporate social responsibility programmes and sponsorship of cultural and sporting activities. Guernsey should be proud of its finance sector, and as a government we must do all we can that is appropriate in order to support and sustain it.
- 6.1.2 The finance sector remains Guernsey's largest sector of employment activity¹² and earnings. The sector, including legal and accounting activity, adds in the region of £1.2bn to the economy equating to 44% of the Island's economic output¹³. It accounts for a quarter of all employment and a significant proportion of tax revenues¹⁴. Securing a sustainable future for the sector is clearly a critical activity for the economy of Guernsey.
- 6.1.3 However the finance sector has faced testing economic conditions in recent years. The 2008 global financial crisis has been followed by a hostility in certain quarters to finance in general and offshore finance in particular. Not only has the finance sector had to cope with a regulatory reaction but it has had to absorb significant administrative costs arising from the reporting requirements brought about by the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard tax transparency initiatives. The reporting of beneficial ownership information is the latest global standard to be met by our firms.
- 6.1.4 Against this backdrop, it is perhaps of no surprise that finance sector output is broadly unchanged over the last five years. There is broad recognition within industry that a more strategic approach is needed but also efforts need to be made to 'reboot' growth where immediate opportunities can be identified.
- 6.1.5 Actions in order to achieve this will be set out in a policy framework. The framework will create an environment to deliver a plan for finance sector growth and diversification, for example into FinTech and green finance (defined as financial investment into sustainable development projects, initiatives and

¹² *Guernsey Facts and Figures 2017, States of Guernsey Data & Analysis (Table 2.16 re employment activity)*

¹³ *Guernsey Annual GVA and GDP Bulletin 2016 (First Estimates) (Issue date 7th December 2017)*

¹⁴ *Guernsey Facts and Figures 2017, States of Guernsey Data & Analysis (Table 2.16 employment by economic sector at March each year)*

policies that encourage the development of a more sustainable economy while providing a return on investment). It will set out the strengths and priorities for each part of the finance sector; the objectives for all stakeholders, including government; and the principles to develop the global positioning of the sector as a whole. That work is being coordinated by Guernsey Finance with the active support of, and input from, government and the Guernsey International Business Association and the Guernsey Financial Services Commission. The framework will set out a public commitment by all stakeholders to assist in the creation of this environment and will be published during the second half of 2018.

6.1.6 This framework will also be supported by a plan that will be action focused, building on existing strengths, and will assist in developing and securing new markets and products where Guernsey has a real or perceived competitive advantage. Working Groups, bringing together government and industry representatives, have been established in order to progress this plan. These Working Groups will cover five development action areas, and will publish statements before the end of 2018. The five established Working Groups are:

- Funds (including green finance);
- Fintech (including blockchain and smart contracts);
- Fiduciary services (including family offices);
- Wealth management and brokerage services; and
- Global passporting.

6.1.7 These action areas are inter-connected and, with strong promotion and positive positioning, they have the potential to be developed into a powerful Guernsey proposition. The plan will also seek to leverage on Guernsey's Brexit strategy of better trading relationships with both the UK and the EU and to continue to link ourselves closely to the City of London, to ensure we are recognised as a strategic asset for the City, supporting and complementing UK competitiveness. This will be balanced with work on strengthening relationships with non-EU markets in the medium to long term.

6.1.8 Developing and agreeing a new way of working is critical to delivering growth. It is needed to drive and deliver development of the finance sector using a more unified, jurisdiction-wide approach. A more strategic role for Guernsey Finance will be part of that approach.

6.2 Tourism and hospitality

6.2.1 Whilst there is no precise mechanism which assesses the contribution tourism makes to the Guernsey economy, recent estimates value the direct contribution at around 2% of GDP, and the indirect contribution (by applying a

multiplier effect) at over 4% of GDP. It is accepted, however, that tourism helps to support and sustain the critical air and sea links to the Island, providing much needed connectivity to the UK and Europe. It also ensures the breadth and quality of the Island's hospitality and attraction offering, not just for tourists but for the local and international business community and the Island's residents.

- 6.2.2 The shape of the tourism industry in Guernsey has changed significantly. Over the past 15 years the near-exponential growth of the low cost carrier industry has provided for increasingly cheaper international air fares for tourists. It has thereby opened up a much wider choice of non-domestic destinations for Guernsey's UK and European visitor target markets. As a result the States of Guernsey's Marketing & Tourism service area has continued to focus its effort on attracting the less price sensitive and more affluent 45+/ABC1 core target market demographic.
- 6.2.3 This approach was endorsed recently by PwC following the completion of its Strategic Review of Guernsey's Tourism Product offering. The PwC report confirmed that the baby boomer and the swing generation market (50+) represents approximately 44% of the UK outbound travel volume and 48% of the total spend, and is displaying high growth. This demographic is the wealthiest and is not price sensitive, and remains a focus for marketing Guernsey as a visitor destination.
- 6.2.4 Marketing and Tourism, in collaboration with the Chamber of Commerce Tourism and Hospitality sub-group, published in 2014 the Guernsey Tourism Strategic Plan 2015–2025. The plan included an objective to increase the number and value of visitors by 30% over the ten year period of the plan, and set out five objectives to help achieve this:
- Evaluate new and stronger route connections to the Island (UK and Europe);
 - Strengthen the Island's product offering;
 - Develop an exceptional visitor experience;
 - Develop a positive environment for growth and investment; and
 - Develop marketing and messaging that is consistent and compelling.
- 6.2.5 Since the publication of the 2014 plan, there have been a number of positive developments demonstrating how Guernsey's tourism offer is adapting to the market and taking advantage of opportunities.
- 6.2.6 During 2015, the Guernsey Heritage Festival was launched. The month-long festival, now in its fourth year, is supported by many local groups and boasts over 300 events and activities, ending with the Guernsey Literary Festival. In

2016, in partnership with Taste Guernsey, the Guernsey Food Festival was launched. Over three successful years it has grown in reputation and popularity.

- 6.2.7 The contribution to the economy made by cruise liner visitors continues to increase, with over 110,000 cruise passengers coming ashore during 2017. Guernsey's reputation as a favourite port of call has been consistently endorsed and recognised by the leading cruise industry publication 'Cruise Critic'. During the last three years, Guernsey has twice received the Editor's Choice for the 'UK's top port of call' and the cruise passengers' choice of the 'Top 5 European Ports of Call'. Despite the uncertainty over the potential impact of Brexit, 105 ships and over 120,000 passengers are expected in 2018, and a total of 99 ships already confirmed for 2019. Investment in this day-visitor market will continue, as will efforts to encourage cruise visitors to return to the Island for longer breaks.
- 6.2.8 Visit Guernsey has been working hard behind the scenes so that Guernsey can take advantage of the release of the film "The Guernsey Literary and Potato Peel Pie Society". There has been extensive engagement with tour operators and travel agents to offer them themed packages as well as active sporting holidays. The ability to showcase the Island, its heritage and products, should result in world-wide interest and increase visitors.
- 6.2.9 In addition the Committee will encourage a renewed focus on exploiting the Island's very strong links to the international literary icon Victor Hugo. As well as the Victor Hugo in Guernsey Society's International Conference in June, there will be more events to give more exposure to important cultural sites on the Island which will also protect the Anglo-French heritage. This approach has proven appeal to the French market and will be of interest to the UK and US markets. In addition, the Committee has recently signed an agreement with the Prefectures of Normandy, La Manche for the development of an App, which will assist in the interpretation of Victor Hugo's time in Guernsey.
- 6.2.10 The Committee is also keen to work with other tourism bodies in the Channel Islands to continue to promote the 'Island Hopping' campaign.
- 6.2.11 As a result of an amendment to the Island Development Plan debated in 2016, the Committee was instructed to bring a review of the Tourism Strategy to the States by the end of 2018. The recent review of Guernsey's tourism product provides important information for shaping States' policies on visitor accommodation in the Island, an area where the Committee is keen to see some relaxation of the controls that are currently in place. The Committee will carry out further analysis of the implications of any revisions and consult on any proposed policy revision and return to the States in the second half of 2018 with a new Tourism Strategy. Overall, the Committee will seek to ensure that

the new Tourism Strategy is reflected in appropriate amendments to the Island Development Plan, if required, in particular, the easing of the ability of visitor accommodation to enter or leave the market, and supporting new tourism accommodation developments.

6.3 The digital economy

- 6.3.1 The Digital Framework published in 2017 identified the role that government can play in directly supporting the digital and wider economy through digital innovation and capability. This approach was lauded in the executive summary of the 2017 Annual Independent Fiscal Policy Review (published in January 2018), which stated that *“attempts to promote the diversification of the local economy with high value, low footprint economic activity through the publishing of [that document] are to be welcomed in the interests of the Island’s long-term fiscal health.”* Since the publication of this framework there have been a number of significant successes in the 10 action areas identified to assist in the development of Guernsey’s digital economy.
- 6.3.2 The economic objective of the digital framework is to develop digitally enabled industry, data and innovation. This is an area which fulfils all the requirements of a high value economy; that benefits from our flexible and responsive regulation and legislative environment; and that builds on our brand values around trust and security.
- 6.3.3 In order to support the aims set out in the Digital Framework, the Digital Greenhouse will have a higher profile role in developing our digital offering. A new telecommunications strategy will set out how the infrastructure will be put in place to enhance digital connectivity, while reducing the barriers faced by business (cutting ‘red tape’) will also support the development of agile digital businesses across the economy. Locate Guernsey will also work closely with the Digital Greenhouse in targeting appropriate digital businesses to move to Guernsey in order to ‘scale up’ their business.
- 6.3.4 The telecommunications sector strategy will be published in mid-2018 after consultation with industry and stakeholders. The implementation and monitoring of that strategy will be overseen by the Future Telecoms Oversight Group, comprising political and officer representation from the Committee for Economic Development, and the Policy & Resources Committee, as well as expertise from the Development & Planning Authority.
- 6.3.5 The Committee welcomes the ongoing development of the Future Digital Services work which is part of the Public Service Reform framework agreed by the States in 2015, and which was set out in the Policy & Resources Plan update of April 2018 in the Chief Executive’s report appendix. Political and officer representatives are part of the commissioning and procurement process for

Future Digital Services, and welcome the opportunity to ensure that there is investment in the growth of Guernsey's digital sector through this major programme. A key pillar of the Future Digital Services project is to deliver tangible economic development initiatives for the digital economy.

- 6.3.6 A significant achievement of the Digital Framework has been the work carried out to develop digital skills on the Island. This includes changing the Bailiwick Curriculum to include digital skills, signposting and promoting pathways to digital careers, and offering a very successful internship scheme. This scheme has been developed in partnership with local businesses and has already achieved some notable successes for businesses which have been able to obtain locally qualified students.
- 6.3.7 Guernsey offers international business a safe haven for data and this has been strengthened by the work led by the Committee *for* Home Affairs on data and cyber-security. The Cyber Strategy published in December 2017 will enhance our cyber protection and resilience through a range of measures including strengthening our relationship with Jersey and with the UK's National Cyber Security Centre. The new Data Protection (Bailiwick of Guernsey) Law, 2017 was developed in conjunction with business groups and the appointment of a world renowned Chair of Commissioners and Regulator confirms Guernsey as a world leading jurisdiction for data protection. The Committees are already working together closely to grow Guernsey's data and knowledge economy, and will also work with the Data Protection Commissioner in that respect.
- 6.3.8 The Committee will support the development of Guernsey's knowledge economy. The intellectual property regime will need to be flexible to adapt to the external opportunities and challenges such as Brexit, and the Committee will actively monitor developments in that area. This includes undertaking the necessary work to support the extension of international conventions to Guernsey. The Committee agrees with the new approach set out in the Policy & Resource Plan to coordinating the Island's responses to International Instruments.
- 6.3.9 The Committee acknowledges its role in supporting the development of Alderney's economy. In particular Alderney's e-gaming sector has an international reputation for excellence, including its regulatory framework, and the Committee will endeavour to provide the appropriate support that the e-gaming sector needs to continue to grow.

6.4 Retail

- 6.4.1 Retail and wholesale activities employ around 4,000 people in Guernsey and are an important part of business and community life. Having commissioned a retail survey, undertaken in late 2017, the Committee will continue to reflect

on the insight gathered from the nearly 1,000 respondents to inform its approach to supporting and working with the retail sector. This will include ongoing work across various policy areas – for example, in relation to skills, land use, transport connectivity and cutting red tape. The Committee will keep the current retail strategy under review to ensure that the approach reflects the needs of today's retailers and customers.

- 6.4.2 Making retail a career of choice, and equipping employees with the skills required, is critical to the success of the sector. The Committee has had concerns that many people do not currently see retail as a viable, attractive career option, despite the sector offering significant opportunities to employees who wish to develop a career in a variety of roles. Appropriate training is required to equip individuals with the skills they need to fulfil their potential and access progression opportunities. People also need to be made aware of, and encouraged to take advantage of, the opportunities available in this diverse sector. The work of Skills Guernsey has identified the potential for the introduction of a retail apprenticeship and the Committee will work with Skills Guernsey to consider the best format for such a modern apprenticeship, and how it may be financed and best implemented to suit the needs of the sector.
- 6.4.3 The Committee recognises that the retail sector makes a vital contribution to the character of the Main Centres of Town and the Bridge, and will continue to support an approach to land use which seeks to maintain and enhance the retail offering in these locations. The Committee also recognises the potential of the Seafront Enhancement Area to provide opportunities for the sector, and will ensure that the needs of the retail sector are taken into account in work to unlock the potential of this area.
- 6.4.4 The Committee recognises the importance of supply chain logistics to the retail sector and will ensure these are taken into account in its work on transport connectivity. The Committee will also review red tape with a view to removing any potential barriers to business development in the sector. To this same end, the Committee has made available to retailers the findings of its 2017 survey¹⁵ of consumer preferences, to ensure retailers are able to benefit from the insights gained from this piece of market research, in the course of their business development.
- 6.4.5 There is currently, however, no dedicated retail sector industry body in Guernsey, and this limits the extent to which the sector is able to act as a cohesive body to support its members and effectively engage with government. The Committee will therefore also give consideration to how to improve retail sector representation on the Island.

¹⁵ Available at: <https://www.gov.gg/retailsurvey2017>

Guernsey marque

- 6.4.6 Guernsey's businesses have a strong track record in developing products and services that are based on local knowledge, expertise and values. Capitalising on the high profile of Guernsey through the release of The Guernsey Literary and Potato Peel Pie Society film, the Committee will support the private sector in establishing a Guernsey marque for locally made and designed products and services. This will assist the off-Island marketing of those products, and also support the Guernsey brand.

6.5 Construction

- 6.5.1 The construction sector within Guernsey has faced demand-based challenges in recent years in relation to commercial property, as there have not been the same number of larger projects previously enjoyed by the sector. Conversely, the challenges in relation to the residential property appear to be supply-based.
- 6.5.2 The Committee wishes to play an active role in creating the right environment for investment in infrastructure, and supports the aim of ensuring new projects and maintenance commissioned by the States are spread more evenly through political terms but also at an increased overall rate. This aim is reflected in the States' reaffirmation in the Policy & Resource Plan of the importance of investing in infrastructure and allocating 3% of GDP per annum to this, as well as the prioritisation of the long-term Infrastructure Investment Plan led by the Committee *for the* Environment & Infrastructure.
- 6.5.3 It is clear that the relative economic impact of the provision of large scale construction activity by on-Island providers should be considered when commissioning such contracts. This is not to unduly favour local providers or seek to discriminate against off-Island providers who may be able to provide quality and expertise, but simply to appropriately recognise the greater economic multiplier effects that exist from local profits, employment and expenditure. The States of Guernsey's procurement approach has a recognition of local input, which the Committee fully supports. However it is also important that, where possible, States' building activity is phased in a manner to avoid an immediate glut of activity followed by another fallow period. The Committee will work with the Policy & Resources Committee, the Committee *for the* Environment & Infrastructure, and the Construction Industry Forum to find practical ways in which such phasing can be best achieved.
- 6.5.4 The provision of skills within the construction sector is important. The Committee will work with employers within the sector, through its role within Skills Guernsey, to best support businesses to continue to invest in and obtain the skills required for the sector to flourish. This will include appropriate use

and revision of the existing apprenticeship scheme system to meet the changing demands of a modern construction industry. As is the case for the retail sector, it will be important to make sure that the opportunities of a career within the construction industry are correctly signposted for school leavers. There will also be opportunity to work with industry to develop new approaches to skills training and knowledge acquisition in the industry.

7 Supporting emerging sectors and diversification

7.1 International university

7.1.1 Initial work undertaken by the States of Guernsey's cross-Committee university working party between September 2016 and June 2017 indicates that there are potential significant long-term economic and reputational benefits for Guernsey in establishing an international university campus in Guernsey. Based on UK higher education figures, it is estimated at this stage that the direct economic benefits of 1,000 students could be around £10m per year, which would mean around £2m per year to general revenue. It might also mean over £21m of indirect benefits per year, which would amount to one per cent of GDP. Around £4m per year in salaries of those employed directly would mean an additional sum of over £0.5m per year to general revenue, and this is before the benefits to the local supply chain and construction industry are factored in.

7.1.2 Following discussions with a number of UK and international universities and their advisers/representative bodies, and in co-operation with the Institute of Health and Social Care Studies and the GTA university centre, as well as the assessment of recent independent research and reports, a preferred model to deliver economic benefits might be:

- A long-term (10-20 year) initial partnership with an overseas (non-UK) university that has an established reputation for excellence;
- Guernsey as the site of a European English-speaking campus for a small group (initially up to 1,000) of students (potentially undergraduate and postgraduate) to develop further academic and language skills as part of established courses;
- Guernsey's campus develops a niche built on existing expertise (for example international business, cyber-security or marine renewable energy) that might be opened up to additional partners in the future. To maximise economic benefit the University would provide opportunity for on-Island business growth through partnerships, knowledge transfer and spin-outs from the University; and
- During that first (10-year) phase, establish relationships with UK universities post-Brexit in order to put in place an additional formal partnership with a

Russell Group member university. Therefore we will strive to meet UK standards in order to enable that opportunity.

7.1.3 With this in mind the cross-Committee university working party, led by the President of the Committee, will:

- Specify benefits and costs to developing a university presence in Guernsey, set out a draft project plan, and confirm the likely investment needed by (a) the States of Guernsey and (b) the private sector;
- Identify potential suitable and interested partners who can meet the required quality standards and economic volumes over a sustained period of time; and
- Identify the model for investment that will best encourage and deliver private sector investment.

7.2 Seafront Enhancement

7.2.1 There has been considerable discussion of the enhancement of the St Peter Port harbour area in recent months, following its designation as a Harbour Action Area within the Island Development Plan. The Committee believes that unlocking the potential of the St Peter Port harbour area can create significant commercial opportunities and could enable the largest development the Island has seen for a century. It has the potential to lead to, for example, environmental enhancement and an uplift in the quality of the area, land reclamation, the development of retail, hotel and office-based developments, provision of a range of housing types, harbour-related infrastructure, cultural and leisure developments, car parking, and wider public realm improvements. Further, it has a unique potential to increase economic activity in a manner that will be sustainable long after the construction phase and result in a larger, stronger and more successful economy. The scale of change will be determined through extensive consultation and engagement with the community.

7.2.2 A programme of work is underway that will plan for the future development of the seafront and surrounding area, with the aims of unlocking substantial economic, social and environmental benefits. Following States approval in November 2017, the enhancement of the seafront area is one of the priorities in the Policy & Resource Plan. A steering group has been formed to oversee the programme's progress.

7.2.3 The steering group consists of representatives from the Policy & Resources Committee, the Committee *for the* Environment & Infrastructure, the Committee *for* Economic Development, the Committee *for* Home Affairs, the States' Trading Supervisory Board and the Development & Planning Authority. Its objectives are to:

- Co-ordinate the approach of the States of Guernsey to the enhancement of the seafront, including the development of a master plan as part of a Local Planning Brief under the provisions of the Island Development Plan;
- Identify and assess potential quick wins that could be in place or underway by October 2019 that are in line with the policies of the Island Development Plan and ahead of the Local Planning Brief;
- Identify opportunities to work with community and business parties;
- Deliver a clear vision for the redevelopment of the Seafront Enhancement Area which can be considered by the whole community;
- Produce an investable proposition for public and private capital; and
- Establish an independent funding vehicle which can ensure the delivery of this development. This funding vehicle is likely to need to combine both private and public sources of funds for a development of this importance, size and nature and the Committee is keen to work closely with the private and third sectors on the planning and delivery of this important development.

7.3 Blue economy

- 7.3.1 The 'blue economy' concept seeks to promote economic growth and the preservation or improvement of livelihoods while at the same time ensuring environmental sustainability of the oceans and coastal areas. The blue economy has diverse components, including established traditional ocean industries such as fisheries, tourism, and maritime transport, but also new and emerging activities, such as offshore renewable energy, aquaculture, and marine biotechnology. The World Bank, for example, has linked the development of a blue economy to economic diversification, creation of jobs (notably high value jobs in research and development and marine energy for example), sustainable management of the marine environment and increased food security.
- 7.3.2 The Seafront Enhancement Area, and the Committee *for the Environment & Infrastructure's* energy policy and maritime strategy will provide Guernsey with the opportunity to investigate options for enhancing the blue economy through the potential development of new industries and associated infrastructure. The Committee will work with other States Committees to fully explore all potential options to enhance the contribution this can make to the Island's economy, as well as its lifestyle and sea and land environments. This work will look to support the development of renewable energy, tourism and fisheries.

7.3.3 The work on the blue economy will also include looking at the long-term sustainability of Guernsey's fishing industry. Working with the Committee *for the Environment & Infrastructure*, and the Policy & Resources Committee, the Committee will seek to ensure that the challenges of Brexit are met, and that our historic fishing industry can capitalise on opportunities in the future.

7.4 Renewable energy

7.4.1 The States has prioritised an Energy Policy to be led by the Committee *for the Environment & Infrastructure*. It has also recognised the potential of renewable energy to meet both local renewable energy targets and also the potential to generate exports to assist other jurisdictions to meet their targets. In October 2010 the States approved the Renewable Energy (Guernsey) Law, 2010. This primary enabling legislation facilitated the establishment of the Guernsey Renewable Energy Commission as an independent statutory body and provides the framework for the licensing of marine renewable energy devices to be installed within the Island's territorial seas.

7.4.2 The 2015 Paris Agreement has driven the agenda for clean growth, developing new technologies such as smart energy systems. The States agreed a programme that includes:

- Preparing the necessary legislation which will enable Guernsey to take advantage of wind, wave and tidal power opportunities as and when they arise;
- Closely monitoring wind, wave and tidal power technologies and opportunities; and
- Encouraging, promoting and facilitating wind, wave and tidal power opportunities.

7.4.3 The Committee will work closely with the Committee *for the Environment & Infrastructure* as they develop the Energy Policy, and with energy providers, to identify ways of delivering tangible economic benefits from the development of the renewable energy sector, both in terms of generation and storage. This will include discussions regarding how the development of the Energy Policy can enable innovation from the energy providers without leading to either excessive energy costs or underinvestment in infrastructure. As well as providing opportunities for economic growth, the Energy Policy can act as an enabler – for example, energy back up and independence for data centres. It will also support on-Island energy resilience as well as offering opportunities for export.

7.4.4 The development of an International University in Guernsey could provide the opportunity for this economic initiative to have secondary benefits, such as the inclusion of renewable energy on the curriculum. This could, in turn, lead to the strengthening of this industry on the Island. The development of green funds in the finance sector strategy lends itself to the development of new energy funds that could support research and development in such a university setting.

7.5 Clinical and medical services – ‘medtech’

7.5.1 Global innovation in clinical and medical services is creating new opportunities for high value jobs and sustainable growth. For example, in the UK, the number of jobs in science, research, engineering and technology is expected to rise at twice the rate of other occupations by 2023. Guernsey has the ability to legislate in order to support these new opportunities, and the potential to invest through entrepreneurs’ applications to the Guernsey Investment Fund, and government investment through the Future Guernsey Economic Fund.

7.5.2 The Committee notes the Resolutions the States made on 13th December 2017¹⁶ in respect of the *Partnership of Purpose*. The Committee will work with the Committee *for* Health & Social Care and private sector providers to determine which specialisms Guernsey might benefit from developing in a robust ethical and regulatory framework, and also to identify potential clinical trials that will support new and innovative health and medical science offerings, looking to partner with businesses and research institutions off-Island.

7.5.3 The Committee will work with the Committee *for* Health & Social Care to explore and develop a model to offer specialist private medical treatment both for visitors to Guernsey as well as Islanders. This would be offered for those who wish to have a value-added service such as superior surroundings, both in hospital and whilst recuperating, but still includes the excellent care already provided. Far from being detrimental to local health service users, the potential financial benefits of the opportunity will help to drive further investment in on-Island health services.

7.6 Economic impact from the Arts and Cultural events

7.6.1 There is good evidence from around the UK to suggest that funding of arts and cultural and sports events can have a positive impact on a local economy. For instance, the Tate Gallery in St Ives generates over £16m per annum in economic impact for the Cornish economy. Even small events are having a positive impact in terms of increased use of local transport links, accommodation, retail and hospitality outlets.

¹⁶ Billet d’Etat XXIV (2017)

- 7.6.2 The increasing success of arts and cultural events such as the Guernsey Literary Festival, the Guernsey Photography Festival, the Skipton Arts Festival, Arts Sunday, the Sark Folk Festival, the Vale Earth Fair and the Alderney Literary Festival are all having a positive impact on the Bailiwick's economy.
- 7.6.3 The Committee believes that there is potential for further economic growth in these areas and will work with the Committee for Education, Sports and Culture and the Guernsey Arts Commission to better understand the potential for enhanced economic impact from arts and cultural events and sports events held within the Bailiwick.
- 7.7 To support these initiatives, the Committee will expect to make applications for funding from the Future Guernsey Economic Fund where necessary and appropriate.

8 Guernsey - open for business

- 8.1 Guernsey's prosperity is founded on being an open, liberal, free-trading economy. Investment can be attracted from Guernsey's world-class finance sector, and investors can be assured by Guernsey's high quality governance standards. Guernsey's message to the global economy is that it is open for business, and this can be evidenced through:
- Secure and established air links to London, Manchester and other UK cities, and sea links to the UK, France and Jersey;
 - A competitive business environment underpinned by a corporate income tax regime that meets international standards and which can be adapted as necessary if those standards change;
 - World-class professional services;
 - Internationally recognised and aligned regulatory regimes in financial services, competition and data protection;
 - Stable government and financial stability;
 - World-class digital connectivity, data protection and intellectual property protection;
 - An ability to revise legislation quickly and effectively; and
 - A track record of innovation that is home to The International Stock Exchange, the world's first image rights register and 2-Reg, Guernsey's successful international aircraft registry.
- 8.2 To retain this position in the future, Guernsey cannot stand still. We need to:
- Invest in our people and in our connectivity;
 - Maximise the economic benefits of our natural resources while balancing our environmental and social objectives;

- Create an even more business friendly environment through further removal of red tape – that is, removing barriers to doing business that can unintentionally reduce our competitiveness;
- Continue to support the promotion of Guernsey as a place to do business;
- Establish the parameters of risk for Guernsey as a jurisdiction in relation to business; and
- Enable government and business to work in partnership to create prosperity and to diversify our economy.

8.3 Skills and people

8.3.1 If Guernsey is to meet the aspirations for economic development set out in this document, then the skills of its people to deliver this will be critical. There is good academic evidence to suggest that investment in skills development has considerable economic benefit¹⁷, with each £1 spent on training equivalent to over £4 in long term economic benefit, through higher productivity benefits for employers and therefore wage levels. Skills Guernsey is important in bridging and coordinating the identification of need with the delivery of training through the Island's training bodies and employers.

8.3.2 In recent years, three major audits of the skills gaps in the local economy have been conducted; one each by two consultancy companies and one by the firm which conducts such surveys for the UK Government. Each of these studies has identified a gap in softer skills in the workforce such as customer service skills, whilst the latest and largest exercise in 2014 also focused on an increasing lack of technical skills. Skills Guernsey has collated the previous work and sought to confirm and extend the analysis through extensive discussions with employers, business groups and providers of training and education.

8.3.3 During 2018, Skills Guernsey will publish a skills action plan, led jointly by the Committee with the Committee *for* Education, Sport & Culture, which sets out the following objectives:

- Setting out the skills gaps in the economy that have been identified;
- Ensuring that providers of education and training address these gaps; and
- Coordinating the monitoring and actions in this area on an ongoing basis.

8.3.4 One such gap is in digital skills. These are essential for all sectors of the economy, and will need to be addressed both in the short and longer term. To this end, the Committee has worked with the Committee *for* Education, Sport &

¹⁷ "Adult Apprenticeships – Estimating economic benefits from apprenticeships – technical paper. National Audit Office, February 2012": Table 15 (NAO estimate following HMT Green Book guidance – Total Benefits to the Economy / Total Costs to the Economy ratio is £4.7/£1.

Culture to develop a digital skills strategy, which forms an integral part of the wider skills strategy led by the same Committees. This will ensure our children are taught digital skills at school to enable them to fill the jobs that employers on-Island offer. It will also ensure that we have a framework for lifelong learning to enable people of all ages to develop their skills over a lifetime.

- 8.3.5 Employers have also identified a lack of suitably highly qualified students coming into the workplace, and therefore Guernsey's education and training system will need to deliver graduates and apprentices with specialist, generic, and vocational skills. This includes retraining to ensure that graduate and post-graduate level qualifications can be offered with a focus on digital courses. A number of local technology businesses provide bursaries for local students to study at university and provide paid work placements during their holidays.
- 8.3.6 In the longer term, the provision of digital skills in Guernsey is also critical and requires the development and expansion of a number of programmes. The Committee's Digital Internship programme is aimed at pre-degree students and will now be extended following its success in its initial year. At degree level, the Committee and KPMG are supporting the first on-Island digital degree local placement student in Guernsey attached to the University of Exeter. Specsavers are also offering a Digital Marketing Apprenticeship for the first time from September 2018. These examples of delivery models have the potential to create sustainable and effective digital graduate skills on-Island.
- 8.3.7 The role of apprenticeships and work-based learning is critical to the Guernsey economy, where a large number of smaller firms are responsible for substantial levels of employment. Industry is clear that there is considerable appetite for apprenticeships to provide work-orientated skills and cover a wider range of the economy than present. The development of 'modern apprenticeships' is, therefore, essential and should be encouraged as part of the review of the States' Apprenticeship Scheme being undertaken by the Committee *for* Education, Sport and Culture. Further work-based learning options, as well as flexible training provisions and support for small businesses, will be reviewed in collaboration with the Committee *for* Education, Sport & Culture, and industry through Skills Guernsey.

Skills and the population management regime

- 8.3.8 In the short term, it will be critical to attract individuals with digital skills which are not available in Guernsey. The Committee acknowledges the support that the Committee *for* Home Affairs has given to meeting this challenge through flexibility in the population management regime that has ensured the prioritisation of permits for individuals meeting these critical skill gaps. The new regime is much more flexible than was previously possible under the former Housing Control legislation, with the Population Management Office very willing to engage with employers and listen to feedback, and with – for

example – digital employers supportive of the new approach. The Committee also supports the review of the Population Management (Guernsey) Law, 2016 and its underpinning policies by the cross-Committee review panel, of which it is a member.

8.3.9 It has been acknowledged by the States¹⁸ that *“there will always be a need to import key skills and labour in order to grow the economy, stabilise public finances and sustain our quality of life.”* It is also accepted that this is in addition to developing and maintaining Guernsey’s workforce at a size and make-up consistent with achieving the States’ strategic economic, social and environmental objectives. This work directly supports the Policy & Resource Plan’s strategic outcome of being a centre of excellence and innovation as well as securing a strong, sustainable and growing economy. Consequently, the Committee’s view is that to enable more people to relocate to Guernsey for employment purposes would be consistent with the existing strategic population policy.

8.3.10 The Committee’s view is that the regime could be liberalised further. The demographic challenge in relation to the proportion of the population that is economically active means it will be necessary to ensure the size of the working population remains at sustainable levels. In addition, we need to continue to attract the right demographic of people to Guernsey to support and grow the economy, as their skills and businesses will become more important, as well as supporting existing employers in sectors such as tourism and hospitality.

8.4 Land use

8.4.1 Guernsey’s size demands that its limited landmass is used efficiently to support and foster economic activity, while ensuring that the Island’s high quality natural and built environment is not detrimentally affected. Local distinctiveness and culture are critical to the way the Island is regarded by those looking to invest in, visit, and make their home on Guernsey. Development conducted in an appropriate and sympathetic manner can enhance the Island through investment in its buildings and places whilst supporting enhancement of its natural resources and environment and, therefore, add to its overall economic performance and attractiveness.

8.4.2 The States owns or controls approximately 5,060 vergees (8,291,633 square metres) of land excluding roadways. Therefore it has a significant role to play in ensuring appropriate investment, growth and employment. A good example of this is in the Seafront Enhancement Area.

¹⁸ Billet d’Etat XVII, 2015

- 8.4.3 The effective release of the States' estate has the potential to create economic development (starting with construction and then subsequent economic activity) in a way that few other policy measures will be able to achieve. The Committee is keen to assist in a proactive manner, and work with other relevant Committees to deliver its objectives and those of the Policy & Resource Plan.
- 8.4.4 The application of the States' planning policies is the mandate of the Development & Planning Authority. Those policies contain the checks and balances which are rightly needed in the planning system to balance the need for development with the protection of the Island's built heritage, natural environment and infrastructure. The Committee is pleased to see a much more proactive approach to development within the Island Development Plan which has flexible and proactive policies and indicate that, from a land planning perspective, the Island is open for business. This is evidenced by the designation of Harbour Action Areas and the Regeneration Areas, which offer real potential for growth, enhancement, and investment.
- 8.4.5 Whilst the Island Development Plan has shown it is flexible, it has not yet been fully tested. However, improvements can always be made and initial conversations with the Development & Planning Authority have been positive. The Committee will work with the Development & Planning Authority to ensure that changes that are made benefit the economy whilst retaining flexibility and the principal aims of the Strategic Land Use Plan and Island Development Plan.

8.5 Connectivity

- 8.5.1 The Committee recognises that improved connectivity is absolutely vital to Guernsey's future competitiveness.

Digital connectivity

- 8.5.2 Guernsey's economy in the future will be ever more reliant on our telecommunications infrastructure – fast and resilient digital connectivity is the key to the delivery of virtually all sectors of the economy. Digital has developed into an enabler, and not an industrial sector in itself. The requirement to establish a flexible and world class digital infrastructure was articulated in the 2017 Digital Framework and has subsequently been recognised as one of the States' priorities.
- 8.5.3 Guernsey already has basic broadband penetration to 97% of residential homes, three suppliers of high quality, and mobile coverage with 4G and a range of connectivity services for small and medium size businesses. However to develop our future economy we must not stand still; there is a pressing need to enhance our connectivity to ensure we can maximise the benefits of digital from both a social and business perspective. We will build on the foundation

technologies of fibre, mobile and copper, driving capacity and performance up as technology evolves to ensure that Guernsey's connectivity is, and remains, world class.

8.5.4 In mid-2018, the Committee will publish a telecommunications sector policy statement which will be built on three foundations:

- fibre to business districts;
- a target of up to 100 Megabits per second to homes; and
- next generation mobile technology, 5G.

The Committee will continue to work with the Guernsey Competition and Regulatory Authority so that it can ensure it regulates appropriately for this policy direction and develop detailed plans for the delivery of these objectives with the telecommunications companies. As this is a fast moving piece of work, the Committee will provide an update on progress against the telecommunications strategy by the end of Q4 2018.

Transport connectivity – air

8.5.5 The air transport goals of the States of Guernsey can be summarised as:

- Maintaining and expanding air links so that Guernsey is well connected with the UK, other Channel Islands, and Europe;
- Ensuring that these air links are reliable, sustainable and affordable to all parts of the Island's population;
- Ensuring that air links enable existing businesses to function and support the expansion of all types of economic activity beneficial to the Bailiwick; and
- Ensuring that Bailiwick residents have access to specialist healthcare and emergency evacuation services when their medical needs cannot be catered for on-Island.

8.5.6 The review of strategic air and sea links infrastructure agreed by the States of Deliberation in July 2017 includes a review of the business case for and against extending the Guernsey airport runway. The Committee is determined to ensure that any decisions on such infrastructure investment are based on evidence. It will also continue to seek stronger air connectivity, through the development of existing routes and exploring the potential for new routes.

8.5.7 At the time of writing, the Committee is bringing forward its air transport licensing policy letter. This will recommend the classification of certain routes as lifeline, making them eligible for a level of protection, as appropriate. As for all other routes, these would become exempt from licensing, as per the 'open skies' approach adopted by other Crown Dependencies, the UK, and

throughout Europe. The Committee will continue to consider the provision of new route support for airlines which provide routes which are economic enablers. The Committee's priorities are:

- Establishing additional connectivity into London which would enable enhanced access to a global hub;
- Moving to a quasi-open skies policy which enables competition on non-lifeline routes; and
- Continuing to actively engage with a range of airlines to seek opportunities for the development of new routes.

Transport connectivity – sea

8.5.8 The Committee's objectives for Guernsey's ro-ro ferry and freight services are:

- A frequency of service and schedule that meets the needs of freight users, Islanders and visitors to the Island, the tourism trade and industry. Recent years have seen a reduction in the scheduled sailings for ferry passengers to and from Guernsey and the UK, inter-Island to and from Jersey, and France;
- A resilient and capable fleet with the capacity to provide a service that has the required resilience and reliability;
- Fares which are reflective of the cost of the service and limited to a reasonable economic return to the provider in order not to discourage the use of the service; and
- Customer service of a professional standard.

8.5.9 Concerns have been expressed in recent years as to the extent to which these goals have been met. As a result, the air and sea links strategic infrastructure review will consider the way in which Guernsey is served in both the ferry and freight markets. This review will consider ways in which the current service provided may be configured to better meet the needs of the Bailiwick.

8.5.10 In the shorter term, the Committee has, by going out to tender in conjunction with the States of Jersey, established an improved inter-Island ferry service for summer 2018. This reflects the desire by the Committee to improve inter-Island passenger-only ferry services not only to Jersey but also to the other Islands including Alderney. The Committee will monitor the service to assess and maximise the economic benefit to the Bailiwick. The Committee will report to the States in the first quarter of 2019 on proposals for strengthening Guernsey's sea links, building on the evidence base established by the Policy & Resources Committee-sponsored strategic review of air and sea link infrastructure. Prior to this policy letter, the Committee will provide updates to the States as necessary. It will also prioritise any alterations needed due to any change in the ownership of Condor.

8.6 Cutting red tape

- 8.6.1 The previous Commerce & Employment Department undertook a 'Red Tape Audit of Barriers to Business' which it completed in November 2015. The Committee notes that while some of the aims have been fulfilled, it still considers that more can be done, and that the work undertaken by the former Commerce & Employment Department needs to be refreshed to take into account changes in processes since 2015 (most notably in respect of the changes to land planning and population management). It will use this piece of work as the starting point of a programme to identify and remove unnecessary red tape that acts as a barrier to economic growth.
- 8.6.2 A working party, which will include business representatives, will report to the Committee on areas where red tape inhibits competitiveness and entrepreneurialism, for example through increasing costs. Areas which the working party will assess include (but are not limited to) population management and planning. It is not to say that there are unnecessary barriers in place in these areas, but the Committee is very keen to work with all those involved to ensure such systems provide the smoothest possible pathways and enable the delivery of economic growth through the employment of people and the use of land.

8.7 Role of the Open Market

- 8.7.1 Guernsey's Open Market represents an opportunity to be an economic enabler for the Island. Few other jurisdictions have a mechanism to permit residency that is as liberal as that permitted by the Open Market proportion of the Island's housing stock. This is already a central element of the promotional message delivered by Locate Guernsey in its off-Island activities. It will continue to be so.
- 8.7.2 Since the creation of the Open Market, the Island has been the beneficiary of wealthy and entrepreneurial individuals who have chosen to make Guernsey their home. Although the last several years have seen a decline in the number of Open Market property transactions, the Committee believes that the Island still has many of the factors which contribute to its ongoing appeal. Therefore, the Open Market containing the right type of aspirational high quality properties is an important piece of the Island's promotional environment for the Committee in order to attract wealthy individuals to Guernsey. These people, in addition to purchasing property, also bring their funds to be managed and invested, their disposable income to be spent locally, additional

employment opportunities, knowledge, expertise and skills and their ability to become ambassadors for the Island.

- 8.7.3 The Committee will continue to work closely with the many stakeholders in the Open Market – estate agents, law firms, tax advisors, construction companies and, of course, the Open Market property owners themselves – to make sure the Open Market is as effective as possible as an economic enabler for Guernsey. In addition the work on reducing red tape assess the opportunities to remove restrictions on the use of Open Market housing which are disproportionate to the aims of the population management policy.

8.8 Assessing risk

- 8.8.1 Setting a proportionate risk appetite is pivotal to the growth of the economy. The Committee will work in partnership with the Policy & Resources Committee to commission independent expertise to undertake a report on Guernsey's economic risk appetite. The report will draw upon the work of the Policy & Resources Committee's Financial Stability Advisory Committee, the Independent Fiscal Review Panel, international evaluations and assessments and independent expertise to set out the levels of risk that Guernsey, as a jurisdiction, is prepared to take across its economy.
- 8.8.2 Guernsey's adherence to the Organisation for Economic Cooperation and Development's anti-Base Erosion and Profit Shifting action plans, for example, mean that there are certain types of business that Guernsey as a jurisdiction has effectively decided not to accept. Conversely, it is an important part of signalling that Guernsey is open for business if it makes an evidence-based decision to actively support the operation of certain types of business by ensuring that the conditions are in place for them to succeed.
- 8.8.3 Decisions and policy in the past have been ad hoc and reactive, but the Committee is of the view that setting out a clear jurisdictional approach to risk is an important component of stability and competitiveness, as well as ensuring a high quality of business comes to Guernsey – business that is sustainable and brings benefits to the economy and the community. The Committee and the Policy & Resources Committee will identify the economic activities which are, or could be, undertaken in Guernsey and then complete an assessment to identify Guernsey's appetite for economic risk and publish this at the beginning of 2019.

8.9 Working in partnership

8.9.1 The Committee is committed to working in partnership with businesses in the Island to develop the actions in this plan and will put in place the following new delivery groups:

- The finance sector strategy will be co-ordinated by a steering group comprising government, Guernsey Finance and business representative bodies;
- Blue economy working party – this will be in partnership with the Committee *for* the Environment & Infrastructure, and will include non-States' expertise;
- Renewable energy – this will be in partnership with the Committee *for the* Environment & Infrastructure ;
- Red tape – this will be in partnership with business representative bodies;
- The established Seafront Enhancement Area working party will establish partnerships with the Chamber of Commerce, the Institute of Directors and the Confederation of Guernsey Industry;
- Land use – businesses and the Development & Planning Authority and, where this concerns States-owned assets, the States Trading Supervisory Board and will make recommendations to the Development & Planning Authority as well as to the Seafront Enhancement Area working party;
- Skills strategy – this will continue to be co-ordinated by a revised governance structure for Skills Guernsey, including business representatives and representative bodies as well as representatives of the Committee and the Committee *for* Education, Sport & Culture; and
- Target markets - the Committee will work with other partners to develop a relationship-building programme to evaluate further target markets by 1st January, 2019.

8.9.2 In addition to this:

- The digital strategy through the Digital Framework will continue to be co-ordinated by a steering group that comprises business representatives and government;
- The delivery of the tourism and hospitality strategy will continue to be jointly co-ordinated by the Committee and the Chamber of Commerce's tourism sub-group; and
- The established university working party will include business representatives alongside the representatives of States' Committees.

8.9.3 The Committee will establish and publish the terms of reference, membership, goals and milestones of each of these groups by the end of 2018.

8.10 Fostering entrepreneurialism

8.10.1 An important ingredient for Guernsey's future economic success will be the continuing need to make sure that the Bailiwick is entrepreneurial by default. The entrepreneurial ability of Islanders has served the Island extremely well in the past. The Committee wishes to ensure that this ability remains and continues to develop to meet the needs of a changing international business environment.

8.10.2 The Guernsey Enterprise Agency, trading as Start-Up Guernsey, supports new local business initiatives. The Committee believes that Guernsey's approach to entrepreneurialism should be reviewed. This is to ensure that all of the constituent parts have clear roles and responsibilities, are working together effectively, and there are clear targets. The review will look at how to enable a greater focus on helping businesses throughout the business life cycle, consider options for providing an effective accelerator programme, and set out how to better target support on high potential start-ups and scale-ups. Such scale ups are those that typically have the potential to scale quickly to turnover of £1m per year within three years. The review will also identify how the Guernsey Enterprise Agency could assist with developing the skills and resources needed in order to advise government on further measures that should be taken to improve competitiveness in Guernsey. The review will also examine how the Guernsey Enterprise Agency can work more closely with the Digital Greenhouse and business bodies and what performance indicators should be set.

8.10.3 The Committee will also look at the lessons from competitor jurisdictions on supporting entrepreneurialism, and at potential incentives for entrepreneurs with a view to removing barriers through the red tape audit.

8.11 A global approach

8.11.1 The Committee is involved in and supports the work of the Policy & Resources Committee-led Brexit Group, and the feedback it receives from the Island's business and representative bodies is that Guernsey's approach to Brexit is comprehensive and proactive.

8.11.2 However, it is clear too that the Committee has a lead role to play in developing new markets, working with the Policy & Resources Committee and agencies such as Guernsey Finance. In March, the States of Guernsey joined the Commonwealth Enterprise and Investment Council as a strategic partner. It also believes that the right university partner will assist in new market development. The Committee's view is that it needs to strongly support Island businesses in increasing their ability to export to or trade with other jurisdictions and will incorporate this into all its workstreams, and it will actively focus on this work in partnership with business representative bodies.

9 Monitoring the economy

9.1 Economic and Productivity Advisory Panel

- 9.1.1 It is established practice for governments to be advised on economic policy by independent external experts. The Scottish government, for example, established a council of economic advisers a decade ago. It meets twice yearly and publishes an annual report, advising the Scottish government on competitiveness and tackling economic inequality. Its membership comprises business representatives and academics.
- 9.1.2 The Committee will establish an Economic and Productivity Advisory Panel, chaired *ex-officio* by the President of the Committee, with three independent experts, and with secretariat provided by States' officers. The panel will recommend key performance indicators across areas such as growth (for example growth in gross domestic product), productivity (for example gross domestic product per worker) and diversity (for example diversity of employment across each main sector of the economy). The Data and Analysis team of the States of Guernsey has increased the depth and range of economic data available over the last few years, and the Committee will ask the panel to draw upon that data as well as to identify any gaps.
- 9.1.3 The Committee will establish and publish the terms of reference and membership of the economic advisory panel by the end of 2018 with a view to the panel recommending the economic key performance indicators to be brought forward in the June 2019 update of the Policy & Resource Plan.
- 9.1.4 The Committee will also work closely with the Policy & Resources Committee to invest further in the States of Guernsey's data and analytics capability in relation to the economy.

10 Compliance with Rule 4

- 10.1 Rule 4 of the Rules of Procedure of the States of Deliberation and their Committees sets out the information which must be included in, or appended to, motions laid before the States.
- 10.2 In accordance with Rule 4(1), the Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.
- 10.3 In accordance with Rule 4(4) of the Rules of Procedure of the States of Deliberation and their Committees, it is confirmed that the propositions above have the unanimous support of the Committee.

- 10.4 In accordance with Rule 4(5), the Propositions relate to the duties of the Committee to advise the States and to develop and implement policies on matters relating to its purpose, which is to secure prosperity through the generation of wealth and the creation of the greatest number and widest range of employment opportunities possible by promoting and developing business, commerce and industry in all sectors of the economy.

Yours faithfully

C N K Parkinson
President

A C Dudley-Owen
Vice-President

D de G De Lisle
J I Mooney
D A Tindall

20 actions to promote stronger growth

1. Strengthen air and sea links
2. Support the finance sector with a plan that supports growth and diversification
3. Support innovative businesses and products
4. Prioritise seafront area enhancement work
5. Develop a plan for investing in Guernsey's tourism product
6. Update the retail strategy
7. Establish a pipeline of construction opportunities and develop construction skills
8. Support the development of a long-term Skills Guernsey development plan
9. Ensure the population management regime is flexible and supports skills needs
10. Attract High Net Worth Individuals through the Open Market
11. Put in place a framework to foster entrepreneurialism
12. Continue to develop and implement the digital framework
13. Develop plans for an international university presence in Guernsey
14. Develop plans for the blue economy
15. Develop plans for renewable energy as part of the Energy Policy
16. Develop a clinical and medical services 'medtech' plan
17. Implement the telecommunications sector strategy
18. Identify and remove red tape to boost competitiveness and reduce the cost of doing business in Guernsey
19. Develop a clear jurisdiction-wide economic risk appetite
20. Work to develop new markets and consolidate existing markets

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

STATES' ASSEMBLY & CONSTITUTION COMMITTEE

AMENDMENTS TO THE CODE OF CONDUCT FOR
MEMBERS OF THE STATES OF DELIBERATION

The States are asked to decide whether, after consideration of the policy letter entitled 'Amendments to the Code of Conduct for Members of the States of Deliberation' dated 18th May 2018 they are of the opinion:-

1. To amend the 'Code of Conduct for Members of the States of Deliberation' with immediate effect as follows:
 - (a) To insert section 19B, 19C and 19D as set out in paragraph 2.4.
 - (b) To amend section 27 as set out in paragraph 3.5.
 - (c) To amend section 11 as set out in paragraph 3.7.
 - (d) To amend section 6 as set out in paragraph 3.8.
 - (e) To amend section 7 as set out in paragraph 3.9.
2. To note that Members of the States of Deliberation should be guided by the existing States' Whistleblowing Policy.
3. To adopt the guidance note entitled '*Anti-Bribery and Corruption Guidance for States Members and Employees*' to cover all Members of the States of Deliberation.

The above Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

STATES' ASSEMBLY & CONSTITUTION COMMITTEE

AMENDMENTS TO THE CODE OF CONDUCT FOR
MEMBERS OF THE STATES OF DELIBERATION

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

18 May, 2018

Dear Sir

1 Executive Summary

- 1.1 This policy letter proposes minor amendments to the Code of Conduct for Members of the States of Deliberation ("the Code of Conduct") to enable Members to set up private offices to provide them with administrative and other support.
- 1.2 It also suggests amendments in line with recommendations from the Policy & Resources Committee to ensure the Code of Conduct is in accordance with international conventions relating to measures for anti-bribery and corruption of public officials.
- 1.3 It also provides an update on the States' Assembly & Constitution Committee's ("the Committee") forthcoming comprehensive review of the Code of Conduct.

2 States Members' Private Offices

- 2.1 The Committee was asked to propose amendments to the Code of Conduct to enable States' Members to make arrangements for correspondence and matters relating to States business to be organised by a private office.
- 2.2 The Committee supports enabling Members to organise their workloads with the assistance of a private office, providing such offices operate in accordance with States policies and procedures. The Committee believes the Chief Executive of the States of Guernsey is best placed within the organisation to

receive, assess and determine requests for the operation and management of any private office or administrative scheme, in line with criteria agreed with the Committee.

2.3 The criteria to be met has been drawn up in consultation with the Chief Information Officer, and includes any staff of such offices signing documents including, but not limited to, detailed non-disclosure and confidentiality agreements to accord with States of Guernsey policies.

2.4 It is suggested that the Code be amended to facilitate these arrangements by inserting three new sections into the Code to follow section 19A, as follows:

“19B. The obligations under section 19 not to disclose personal information publicly or to any third party, and under section 19A to treat correspondence as confidential and not to disclose correspondence to any third party, shall be treated as not having been breached or disregarded where the disclosure or treating takes place in accordance with arrangements approved for the operation and management of a private office or administrative scheme under section 19C.

19C. The Chief Executive may from time to time approve arrangements for the operation and management of any private office or administrative scheme that are proposed by any Member and are intended for the purpose of enabling that Member to deal with correspondence and information relating to the affairs or business of the States of Deliberation or any committee of the States. An approval under this section shall be made upon and subject to the current application process requirements being met and such terms and conditions as the Chief Executive and the States’ Assembly & Constitution Committee thinks fit, including for the purpose of ensuring that –

(a) information relating to the affairs of the States of Deliberation or any committee of the States, and

(b) information relating to any third party (including personal data relating to any individual),

are given suitable protection including, in the case of personal data relating to a living individual, protection in accordance with the provisions of the current Data Protection Law.

19D. Where the Chief Executive is of opinion that -

(a) the terms or conditions of an approval given under section 19C
(i) have been breached, or

(ii) are inadequate for the purpose referred to in section 19C, or

(b) there is other good reason,

he may at any time by written notice given to the Member concerned revoke, suspend or vary an approval under section 19C.”

- 2.5 The Committee recommends the States approves the proposition giving effect to these changes to the Code of Conduct.

3 States of Guernsey measures for anti-bribery and corruption of public officials

- 3.1 The Policy & Resources Committee has assessed compliance by States of Guernsey measures for anti-bribery and corruption of public officials with the OECD Convention on Bribery and the UN Convention against Corruption (UNCAC).

- 3.2 At Guernsey’s request, the UK’s ratification of the two Conventions was extended to the Island some time ago. It is important that compliance with such Conventions is reviewed periodically as interpretation of their provisions can change over time in light of developing international good practice and expectations.

- 3.3 Whilst the Policy & Resources Committee’s assessment report confirms that the Code of Conduct for Members of the States of Deliberation is largely in accordance with international conventions, it makes a few recommendations on changes to the Code that should be addressed.

- 3.4 The report states:

“At present it [the Code of Conduct] includes a blanket ban on considering anonymous complaints against Members. This is problematic not only in meeting the terms of international conventions, but also contradicts the States Whistleblowing Policy (section 5.5). As stated above, either the Whistleblowing Policy should be extended to cover States Members or a separate whistleblowing document should be created to cover States Members, including the language of the present Whistleblowing Policy. States Members are at particular risk of being offered inducements for improper conduct because they are the decision making body within the States. Thus, it is especially important that people feel able to report concerns”.

- 3.5 The report suggests amending section 27 as follows:

“Unsubstantiated allegations will not be considered by the Chairman of the Panel. Complainants are required to supply the Chairman of the Panel with supporting evidence and a complaint founded only upon a media report will not

*normally be treated as a substantiated allegation. Anonymous complaints ~~will not be considered~~ **will only be considered in exceptional circumstances**".*

- 3.6 The Committee believes, in advance of the matter being considered in more detail as part of the comprehensive review of the Code of Conduct, States Members should be guided by the existing States Whistleblowing Policy. This policy is attached as Appendix 1.

- 3.7 The report also suggests that the Code of Conduct should contain an explicit prohibition on trading in influence. It suggests that the section titled 'Gifts and Hospitality' should be retitled "*Possible inducements, including gifts and hospitality*" and that section 11, should be amended as follows:

*"The acceptance by a Member of a bribe, **including any fee, compensation or reward**, to influence his or her conduct as a Member, ~~including any fee, compensation or reward~~ in connection with the promotion of, or opposition to, any matter submitted or intended to be submitted to the States of Deliberation, or any Department or Committee of the States, **and any trading in influence to secure undue advantage** is contrary to law."*

- 3.8 It also suggests the Code of Conduct could usefully be amended to match the UNCAC International Code of Conduct for Public Officials more closely. In order to match the language of the International Code in regard to objectivity, the report suggests that, in section 6, the third bullet point, titled 'Objectivity', should be amended as follows:

*"In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, Members shall make choices on merit, **and at no time improperly discriminate against or afford undue preferential treatment to any group or individual.**"*

- 3.9 It further suggests that the Code of Conduct could usefully be amended to match the language of the International Code in regard to anti-corruption obligations after leaving office. It suggests that section 7 should be amended to read:

*"Members shall base their conduct on a consideration of the public interest, avoid conflict between personal interest and the public interest and resolve any conflict between the two, at once, and in favour of the public interest. **After leaving their official positions, they will not take improper advantage of their previous office.**"*

- 3.10 The report also recommended that a guidance note entitled 'Anti-Bribery and Corruption Guidance for States Members and Employees' should be adopted and cover all Members and employees of the States. This guidance note is attached as Appendix II and proposition 3 relates.

- 3.11 The Committee recommends the States approves the propositions giving effect to these changes to the Code of Conduct.

4 The Scrutiny Management Committee – Powers, Resources and Impartiality

- 4.1 Further to consideration of the policy letter entitled ‘The Scrutiny Management Committee – Powers, Resources and Impartiality’¹, the States agreed that legislation be drafted making provision for the Scrutiny Management Committee to have the power to send for persons, papers and records, as set out in paragraphs 2.3 – 2.6 of that Policy Letter.

- 4.2 It also directed the States’ Assembly & Constitution Committee to review and report to the States with a revised Code of Conduct for Members of the States of Deliberation to encompass the requirements of the Scrutiny Management Committee as set out in paragraphs 2.8 to 2.9 of that Policy Letter.

- 4.3 Section 2.8 and 2.9 of that Policy Letter reads as follows:

2.8 *The SRC’s [States’ Review Committee] second policy letter acknowledged that, as a result of the SMC having the powers to compel, there would be a need to review the Code of Conduct for both Members of the States of Deliberation and the Civil Service Code. As noted above, it is envisaged that the vast majority of those persons requested to attend hearings or to provide documentation would do so voluntarily. However, an appropriate strengthening of the respective Codes of Conduct would enhance this notion of voluntary attendance.*

2.9 *Therefore, the Joint Committees are recommending that the States Assembly and Constitution Committee (the SACC) considers this matter and submit to the States for consideration a revised Code of Conduct for Members of the States of Deliberation. It is also recommending that the Civil Service Code be updated to encompass the requirements of the SMC.*

- 4.4 The legislation to provide the Scrutiny Management Committee with the powers to compel has not yet been presented to the States however the Committee will consider whether the Code of Conduct could be strengthened in the interim. This will be considered as part of the Committee’s comprehensive review.

5 Review of the Code of Conduct

- 5.1 The Policy & Resources Committee wrote to the Committee in March 2017

¹ <https://www.gov.gg/article/150952/States-Meeting-on-16th-February-2016-Billets-III-and-IV>

stating that the Code of Conduct system in place is *“demonstrably no longer fit for purpose which consequently ill serves complainants, States’ Members and the community as a whole”*. It requested the Committee instigate a review of the current system.

- 5.2 The Committee has resolved to undertake a comprehensive review of the Code of Conduct for Members of the States of Deliberation in 2018. It will publish the Terms of Reference for the Review in the first half of 2018 and will consult with all relevant stakeholders as part of the review, prior to reporting back to the States of Deliberation in due course.

6 Compliance with Rule 4

- 6.1 Rule 4 of the Rules of Procedure of the States of Deliberation and their Committees sets out the information which must be included in, or appended to, motions laid before the States.
- 6.2 In accordance with Rule 4(1), the Propositions have been submitted to Her Majesty’s Procureur for advice on any legal or constitutional implications.
- 6.3 In accordance with Rule 4(4) of the Rules of Procedure of the States of Deliberation and their Committees, it is confirmed that the propositions above have the unanimous support of the Committee.
- 6.4 In accordance with Rule 4(5), the Propositions relate to the duties of the Committee *“to advise the States and to develop and implement policies in relation to matters concerning the propriety and conduct of States’ members”*. The Committee has consulted with the Chairman of the States Members’ Conduct Panel prior to submitting the propositions for consideration.

Yours faithfully

P. J. Roffey
President

H. L. de Sausmarez
Vice-President

M. H. Dorey
M. K. Le Clerc
N. R. Inder

STATES OF GUERNSEY EMPLOYEES HANDBOOK

WHISTLEBLOWING POLICY

Contents

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1. POLICY STATEMENT

- 1.1 Employees will often be the first to see or suspect malpractice, so the States of Guernsey as employer wishes to promote a culture where it is safe and acceptable for employees to raise genuine concerns about poor or unacceptable practice and misconduct without the fear of victimisation.
- 1.2 The States of Guernsey is committed to conducting its business ethically, honestly and with integrity, and expects all employees to maintain high standards in accordance with their relevant employees group Codes of Conduct and generally. However, all organisations face the risk of things going wrong from time to time, or of unknowingly harbouring illegal or unethical conduct (e.g. fraud, bribery, corruption, mismanagement, negligence etc.). A culture of openness and accountability is essential in order to prevent such situations occurring or to address them when they do occur.
- 1.3 The aim of this policy is to provide an internal mechanism for reporting, investigating and remedying any wrongdoing in the workplace.

2. WHO IS COVERED BY THE POLICY?

- 2.1 This policy applies to all employees and employee groups across the States of Guernsey. In addition volunteers and contractors can be guided by this policy.

3. SCOPE AND PURPOSE OF THE POLICY

- 3.1 The aims of this policy are:
 - (a) To address concerns regarding malpractice where the interests of others, or of the organisation, are at risk.
 - (b) To provide clear guidance to employees who have reasonable and legitimate concerns about malpractice to enable them to raise such concerns responsibly and reasonably through the correct channels.
 - (c) To encourage employees to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be respected.
 - (d) To reassure employees that they should be able to raise genuine concerns in good faith without fear of reprisals, even if they turn out to be mistaken.
 - (e) To ensure that employees reporting concerns receive appropriate support.
 - (f) To provide guidance to managers who have concerns reported to them.

4. WHAT IS WHISTLEBLOWING?

- 4.1 Whistleblowing is not staying quiet in the face of wrongdoing but letting someone know what is, or is not happening. Employees will often be the first to become aware of malpractice and it is their duty to draw the attention of their managers to any matter which could be damaging by act or omission to service users, clients, customers, visitors, employees or the organisation.
- 4.2 Whistleblowing is the disclosure of information which relates to suspected wrongdoing or dangers at work. This may include, but it not limited by:
- (a) clinical, professional, or managerial malpractice including for example, abuse of patients, learners, prisoners, service users or employees;
 - (b) criminal activity which has been committed or likely to be committed;
 - (c) miscarriages of justice;
 - (d) failure to comply with a legal duty;
 - (e) danger or concerns about health and safety including not complying with legislation;
 - (f) damage or the risk of damage to the environment;
 - (g) failure to comply with any legal [or professional] obligation or regulatory requirements;
 - (h) financial irregularities including fraud or suspected fraud or mismanagement;
 - (i) embezzlement or misappropriation of property;
 - (j) offering, giving, soliciting or receiving bribes in any form within the Bailiwick of Guernsey or abroad;
 - (k) the acceptance of facilitation payments;
 - (l) misuse of position or influence for personal advantage;
 - (m) trading in influence to secure undue advantage;
 - (n) showing undue favour over a contractual matter;
 - (o) negligence;
 - (p) breach of employee codes of conduct, rules and internal policies and procedures;
 - (q) conduct likely to damage the reputation of the States, its Services or Committees;
 - (r) unauthorised disclosure of confidential information;
 - (s) the deliberate concealment of any of the above matters.
- 4.3 A **whistleblower** is a person who raises a genuine concern in good faith. Any employee with any genuine concerns related to suspected wrongdoing or danger affecting any

of the organisation's activities (a **whistleblowing concern**) should report it under this policy.

- 4.4 This policy should not be used for complaints relating to personal circumstances, such as the way you as an employee have been treated at work (where Grievance Procedures would apply), or issues which can be dealt with by other policies such as Equal Opportunities.
- 4.5 When uncertain whether something is within the scope of this policy an employee should seek advice from the Whistleblowing Officer, whose contact details are at the end of this policy.

5. WHO CAN RAISE CONCERNS?

- 5.1 All employees of the States of Guernsey can raise concerns as well as agency, supply, bank temporary students\trainees and volunteer workers. Contractors are also able to raise concerns using this policy.
- 5.2 Person(s) raising a concern must:
 - (a) be acting in good faith;
 - (b) have reasonable grounds for believing the information is accurate;
 - (c) have an honest and reasonable suspicion that malpractice has occurred, is occurring, or is likely to occur or reoccur;
 - (d) not be motivated by money or personal gain in raising the concern.
- 5.3 An employee raising a concern which proves to be unfounded but who has raised the matter in good faith will have no action taken against them.
- 5.4 An individual making an allegation which proves to be vexatious in nature will be subject to disciplinary proceedings.
- 5.5 Anonymous allegations will only be accepted in exceptional circumstances due to the difficulties of substantiating and investigating such claims.

6. RAISING A WHISTLEBLOWING CONCERN

- 6.1 It is expected that in many cases an employee will be able to raise any concerns with their line manager, either in person or in writing. They may be able to agree a way of resolving the concern quickly and effectively. In some cases they may refer the matter to the Whistleblowing Officer or to the Deputy Whistleblowing Officer.
- 6.2 However, where the matter is more serious, or when an employee feels their line manager has not addressed their concern, or indeed the employee would prefer not to raise it with them, then one of the following should be contacted:

- (a) The Whistleblowing Officer, Zain Chesshire, Head of Assurance, and/or the Whistleblowing Deputy Officer, Tim Langlois, HR Director;
- (b) Our confidential and secure telephone hotline;
- (c) The Chief Secretary responsible for the relevant Service.

Contact details are set out at the end of this policy.

- 6.3 The States of Guernsey hopes that employees will feel able to voice whistleblowing concerns openly under this policy. However, if an employee wants to raise concerns confidentially, the employer will make every effort to keep their identity secret. If it is necessary for anyone investigating the whistleblowing concern to know the identity of the whistleblower, the States of Guernsey will discuss this with the employee first.
- 6.4 The States of Guernsey does not encourage employees to make disclosures anonymously. Proper investigation may be more difficult or impossible if the States of Guernsey cannot obtain further information from the whistleblower. It is also more difficult to establish whether any allegations are credible and have been made in good faith. Whistleblowers who are concerned about possible reprisals if their identity is revealed should come forward to the Whistleblowing Officer or the Whistleblowing Deputy Officer and appropriate measures could then be taken to preserve confidentiality.
- 6.5 In most cases it should not be necessary to alert anyone externally and it is strongly recommended to seek advice before reporting a concern to anyone external. However the States of Guernsey recognises that in some circumstances it may be appropriate to report concerns to an appropriate external regulator or statutory body i.e. NMC, PCC, although it will very rarely, if ever, be appropriate to alert the media. Employees may wish to seek advice and support from their professional organisations such as the Police Federation, AGCS, Unite, NUT, RCN, NASUWT etc. For an example please see [here](#) for the guidance and process used by the University of East Anglia
- 6.6 Whistleblowing concerns usually relate to the conduct of colleagues, but they may sometimes relate to the actions of a third party, such as a customer, supplier or service provider. In certain rare circumstances an employee may raise a concern in good faith with a third party, where it is reasonably believed it relates mainly to their actions or something that is legally their responsibility. However, such concerns should be raised internally first through line management or Whistleblowing Officer for guidance.

7. MANAGING A WHISTLEBLOWING CONCERN

- 7.1 A meeting will be arranged by the employer as soon as possible to discuss the whistleblowing concern with the employee. They may bring a colleague or union representative with them who must respect the confidentiality of the disclosure and any subsequent investigation.

- 7.2 A written summary of the whistleblowing concern will be recorded, a copy of which will be provided to the whistleblower after the meeting. The employer will also aim to give the whistleblower an indication of how it proposes to deal with the matter.
- 7.3 The employer will carry out an initial assessment to determine the scope of any investigation and will inform the whistleblower of its findings. The whistleblower may be required to attend additional meetings in order to provide further information.
- 7.4 In some cases the employer may appoint an investigator or team of investigators including employees with relevant experience of investigations or specialist knowledge of the subject matter. The investigator(s) may make recommendations for change to enable the States to minimise the risk of future wrongdoing.
- 7.5 The employer will aim to keep the whistleblower informed of the progress of the investigation and its likely timescale. However, sometimes the need for confidentiality may prevent it giving specific details of the investigation or any disciplinary action taken as a result. Any information about the investigation should be treated as confidential.
- 7.6 If the employer concludes that a whistleblower has made false allegations maliciously, in bad faith or with a view to personal gain, the whistleblower will be subject to disciplinary action.
- 7.7 While the employer cannot always guarantee the desired outcome sought by the whistleblower, it will deal with whistleblowing concerns fairly and in an appropriate way. Where whistleblowing concerns are found to have correctly identified unethical practices, those responsible for wrongdoing will be subject to disciplinary action or other appropriate measures.

8. PROTECTION AGAINST VICTIMISATION

- 8.1 It is understandable that whistleblowers are sometimes worried about possible repercussions. The States of Guernsey aims to encourage openness and will support employees who raise genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 8.2 The States of Guernsey will do everything possible to protect employees who raise concerns from victimisation. Employees must not suffer any detrimental treatment as a result of raising a concern in good faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If a whistleblower believes they have suffered any such treatment, they should inform the Whistleblowing Officer immediately. If the matter is not remedied the whistleblower should raise it formally using the Grievance Procedure.
- 8.3 Victimisation of employees raising concerns will be treated as a serious matter and disciplinary action will be taken. Staff must not threaten or retaliate against

whistleblowers in any way. Anyone involved in such conduct will be subject to disciplinary action.

- 8.4 Deterring employees from raising a genuine concern through this policy is a disciplinary offence. The States of Guernsey will not tolerate any attempt to cover up any issue raised through this policy.

9. MANAGING SENSITIVE DOCUMENTS

- 9.1 All documentation regarding whistleblowing will be managed and stored by the Whistle Blowing Officer and kept in a secure format and environment.

10. RESPONSIBILITY FOR THIS POLICY

- 10.1 The Chief Executive is accountable for this policy through the Chief Operating Officer who has responsibility for the operation and review of the effectiveness of actions taken in response to concerns raised under this policy.
- 10.2 The Whistleblowing Officer has day-to-day operational responsibility for this policy, and must ensure that all managers and other employees who may deal with concerns or investigations under this policy receive appropriate training with refreshers.
- 10.3 The Whistleblowing Officer, in conjunction with Chief Operating Officer should review this policy from a legal and operational perspective every three years.
- 10.4 All employees are responsible for the success of this policy and should ensure that they use it to disclose any suspected danger or wrongdoing. Employees are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Whistleblowing Officer.

Contacts

Whistleblowing Officer

States Head of Assurance
Zain Chesshire
SOG internal 677 2379
External +44 (0)1481 717379
zain.cheshire@gov.gg

Whistleblowing Deputy Officer

HR Director – Delivery
Tim Langlois
SOG internal 677 2202
External +44 (0)1481 717202
tim.langlois@gov.gg

Chief Secretary

The Chief Secretary of your Service

Chief Executive

Paul Whitfield
External +44 (0)1481 717110
SOG internal 677 2110
paul.whitfield@gov.gg

Whistleblowing hotline
(24 hour)

SOG internal 677 2599
External +44 (0)1481 717599

APPENDIX:**ANTI-BRIBERY AND CORRUPTION GUIDANCE FOR STATES MEMBERS AND EMPLOYEES****Introduction**

1. The States of Guernsey is committed to conducting its business ethically, honestly and with integrity. States Members and employees are expected to maintain high standards in accordance with States policies and directives and with their relevant Codes of Conduct. States Members and employees are also expected to be aware of and uphold the relevant laws for the prevention and detection of bribery and corruption.

Definitions

2. Definitions of 'bribery' and 'corruption' vary. Among those most commonly used internationally are the definitions provided by Transparency International, which are as follows:

Bribery: 'The offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages (taxes, services, donations, etc).'

*Corruption: 'The misuse of entrusted power for personal gain. Corruption can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs.'*¹

Laws against bribery and corruption

3. All States of Guernsey Members and employees are covered by the Prevention of Corruption (Bailiwick of Guernsey) Law, 2003, which includes *inter alia* specific provisions governing corruption by public officials². All British citizens and British nationals are also covered by the UK Bribery Act, 2010.³

Guidelines

4. All States of Guernsey Members and employees must adhere to the following guidelines at all times, and furthermore must not allow themselves to reach a position where they might reasonably be perceived to have breached these guidelines:

¹ The Anti-Corruption Plain Language Guide (July 2009).

² The Prevention of Corruption (Bailiwick of Guernsey) Law, 2003, section 3.

³ The Bribery Act, 2010, Section 12.

5. **Bribery:** A States Member or employee must never offer, give, solicit or receive bribes in any form within the Bailiwick or abroad. Bribes can take the form of gifts, loans, fees, rewards or other advantages, including intangible services or favours.
6. **Inducements including gifts and hospitality:** A States Member or employee must only accept gifts and hospitality to the extent allowed by their relevant Code of Conduct, and where appropriate, must declare gifts and hospitality received. A States Member or employee must never allow any possible form of inducement, including gifts or hospitality offered or received, to influence his or her performance of public functions.
7. **Facilitation payments:** A States Member or employee must never accept any form of inducement to perform (or speed up the performance of) an existing duty.
8. **Trading in influence:** A States Member or employee must never trade in influence to secure undue advantage. Trading in influence means offering, giving, soliciting or accepting any undue advantage in return for actual or promised exertion of influence upon a decision-making entity. A States Member or employee must never promise undue exertion of influence or request undue exertion of influence from another.
9. **Misuse of position:** A States Member or employee must never misuse his or her position or influence to secure an undue advantage for himself or herself or for any other person or entity.
10. **Conflict of interest:** A States Member or employee must avoid conflict between personal interest and the public interest and resolve any conflict between the two, at once, and in favour of the public interest. This means a States Member or employee must never allow personal interest to influence decisions made in the performance of public functions, and must not make improper use of confidential information gained in the performance of public functions in order to secure an undue advantage.
11. **Embezzlement:** A States Member or employee must never engage in embezzlement or misappropriation of property.
12. **Public procurement:** A States Member or employee must never show undue favour over a contractual matter. This means that in any business dealings, an employee must make choices on merit, and at no time improperly discriminate against or afford undue preferential treatment to any group or individual.
13. **Recruitment and advancement:** A States Member or employee must apply due diligence and act objectively in all matters surrounding recruitment, hiring, retention, promotion and retirement and must make choices on merit, and at no time improperly discriminate against or afford undue preferential treatment to any group or individual.

14. **Confidential information:** A States Member or employee must never disclose confidential information in order to secure an undue advantage for himself or herself or for any other person or entity.
15. **Transparency:** A States Member or employee must ensure that, where appropriate, the public has effective access to information, and ensure in all areas that the public has effective means of making complaint without fear of reprisal.
16. **Whistleblowing:** A States Member or employee must report any suspicion of corruption or bribery and must never seek to deter or victimise members or employees who wish to report such a suspicion.