

The Policy & Resource Plan

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States of
Guernsey

2019 Update

Introduction

In November 2017, the States Assembly agreed its policy priorities for this political term. This is called the Policy & Resource Plan.

These priorities were set out by the States' political Committees in order to support the high level 20-year vision of the Policy & Resource Plan agreed in November 2016 by the States' Assembly, namely:

“We will be among the happiest and healthiest places in the world, where everyone has equal opportunity to achieve their potential. We will be a safe and inclusive community, which nurtures its unique heritage and environment and is underpinned by a diverse and successful economy.”

The Policy & Resource Plan incorporates the Medium Term Financial Plan, which sets out the tax and spending plan that the States will aim to stick to if it is to deliver its policy priorities, and it includes the portfolio of major capital (infrastructure) projects.

It also works alongside Public Service Reform, an ongoing 10-year programme of change endorsed by the States Assembly in September 2015. This sets out the direction for the transformation of public services that will make sure the States operate efficiently, in a way that puts the customer and service users first, and that it has the resources necessary to deliver the States' priorities whilst also improving our public services.

Each year the Policy & Resources Committee works with the States' Committees in order to bring an update to the States' Assembly, and also to our community, on what progress has been made.

The 2019 update is the second annual update.

What has the States learned from the Policy & Resource Plan?

Enhanced annual reporting

The Assembly can now consider reports by priority policy area rather than by Committee activity, demonstrating how Committees are working together to meet the States' priorities. This means that there is now greater clarity in the progress the States is making, for example with the Seafront Enhancement, the Supported Living & Ageing Well Strategy and the Children & Young People's Plan. Reporting in this manner helps to demonstrate how the States is working between Committees on issues of importance to the community, such as transport connectivity, healthcare and preparations for Brexit.

Long-term objectives and progress

This is the first review following the publication of the Better Life Indicators Report . This report provides a baseline from which to measure progress in the future. The indicators in the report were agreed by the Assembly in June 2017. They were adapted from the Organisation for Economic Co-operation and Development's (OECD) Regional Wellbeing Index, which is part of its Better Life Initiative. The initiative enables a comparison between nations and regions using measures the OECD deems to be generally representative of wellbeing across a range of areas. It will also enable the States to add other measures that are seen as appropriate in the future, for example further indicators in relation to developing priority policy areas such as climate change and in-work poverty.

Supporting joint Committee working

Last year's update advised that more work between Committees was being undertaken, and that trend has continued. This is an important and positive development, and facilitates the sharing of resources and expertise. The Policy & Resources Committee is bringing forward proposals to enable joint Committee working to be strengthened and formalised, and to help make this the norm.

Transition into the next States' term

The update proposes an approach in relation to the transition of the Plan into the next States' term following the 2020 General Election. The new Policy & Resources Committee after the election will develop a statement of policy objectives for the medium term (2022-25) in connection with issues of strategic importance to the Island, e.g. fiscal and economic affairs, social affairs, the environment, population and external relations. The new Assembly will debate and make resolutions on its overall policy objectives and areas of focus as soon as practicable but with the intention this is achieved by November 2020 – speeding up the process followed during this term.

Progress against priorities

OUR COMMUNITY



One Community: Inclusive and committed to social justice

The Committee *for* Employment & Social Security has led on the implementation of the Disability & Inclusion Strategy. It has commissioned a comprehensive evaluation of discrimination and equality legislation from six countries by academics from the National University of Ireland. In June 2018 the Assembly agreed that this work should be extended to develop policy proposals for legislation to protect people from discrimination on multiple grounds, including disability.

In mid-2019 the Committee *for* Employment & Social Security intends to publish for consultation policy proposals to inform this legislation, bringing a policy letter to the Assembly by April 2020.

During 2018 a significant milestone was the successful implementation by the Committee *for* Employment & Social Security of the new system of Income Support which brought together the supplementary benefit and the rent rebate systems for social housing into a single comprehensive system.

The focus is now switching to Secondary Pensions, and a policy letter setting out proposals, regulation and costs will be laid before the Assembly this year. The Assembly will also be considering proposals in the latter half of 2019 on long-term care insurance funding that respond to outstanding States' Resolutions relating to the Supported Living & Ageing Well Strategy.

A major achievement is the progress on submitting the formal request to the UK Government for the extension of the United Nations Convention on the Rights of a Child.



Improving standards of living: tackling poverty

The Scrutiny Management Committee In-Work Poverty Review examined issues faced by those who are in paid employment but still face difficulties in meeting their day-to-day needs from their income.

The Policy & Resources Committee has reported back on this with particular regard to the issues explored in the Policy & Resource Plan, together with consideration of areas such as:

- The ‘disregard’ of certain earnings and assets within the Island’s benefit system;
- The rent induced poverty factor – fear of losing social housing if income or savings exceed threshold values and the impact of private rental costs; and
- The utilisation of the medical assistance scheme which is available to those not receiving benefits on a means tested basis.

The Policy & Resources Committee will consider the impact of the current States’ initiatives in totality on reducing in-work poverty, bringing a final update to the Assembly in May 2020.

Work will also be undertaken with the Guernsey Community Foundation to commission research on poverty in Guernsey, focusing on policies that can break generational poverty including investigating and identifying successful policy actions in other jurisdictions.



Lifelong learning

The States have made recent significant policy decisions on education during this term which the Committee *for* Education, Sport & Culture is leading on.

The integration of the provision of all technical, vocational and professional studies, including apprenticeships, into a single entity called the Guernsey Institute, will merge the College of Further Education (CFE), the Institute of Health and Social Care Studies (IHSCS) and the GTA University Centre (GTA UC). The long-term aim is to partner with a UK university to seek University College status.

An Executive Principal will be appointed in the summer and once the new Education Law is in place, governance and leadership responsibilities will be devolved to a single board, established as a statutory corporation.

Meanwhile the focus of learning continues to be informed by the work of Skills Guernsey, supporting the States of Guernsey Economic Development Strategy, the Disability and Inclusion Strategy, the Digital Strategy and the Longer Working Lives initiative.

The Assembly will be asked later this year to support capital proposals aligned to previous States' decisions for one secondary school on two sites, both offering the full 11-18 provision of the Bailiwick's Big Picture Curriculum (Le Murier, Les Voies and St Anne's remain open and operating as currently).

The Review of the Education (Guernsey) Law, 1970 and its various amending legislation will repeal and replace the 1970 Law, addressing its outdated nature and will underpin a twenty first century, equal opportunity education system appropriate for a modern society.

OUR QUALITY OF LIFE



Better Life Indicators

The Better Life Indicators Report provides an overall impression of living conditions in Guernsey, which is intended to help give an objective view of the effectiveness of the policies of the States and help highlight areas that need attention.

If the best performing jurisdiction is scored 10 and the worst is scored 0, Guernsey scores as follows:

- 9.4 for Our Economy
- 7.0 for Our Quality of Life
- 7.4 for Our Place in the World

Guernsey's relative performance on these indicators is 'good' or 'very good'. However, even where our performance is exemplary, these indicators suggest areas where we might need to look closer at what is going on in Guernsey.



Healthy community

The States have undertaken a significant programme to transform the Bailiwick's health and care services, set out in the Partnership of Purpose policy letter. Steps will include a review of the future model of the funding of primary care; the development of a universal offer of health and care services; a programme to transform community services and to invest in new technology; and a programme of hospital modernisation at the Princess Elizabeth Hospital.

In June 2019 the States will consider a policy letter proposing to restructure, in part, the funding of health and care through the Guernsey Health Service Fund. This will enable the fundamental remodelling of service provision as envisaged in the Partnership of Purpose.

There has also been a significant focus on early intervention and prevention through a comprehensive health and wellbeing programme. This has included the establishment of a Health Improvement Commission for Guernsey and Alderney; the introduction of a pilot to introduce free contraceptives for the under 21s; a review of cancer screening programmes; and a review of the funding of drugs, treatments and devices.

The Committee *for* Health & Social Care's proposals for an independent commission-led model of health and care regulation were approved by the Assembly in February 2019 and work is ongoing to explore the option of establishing a pan-island Commission with Jersey. A priority for 2019 will be the introduction of capacity legislation to ensure that there are safeguards in place to protect people who may not have the capacity to make their own decisions.

Progress on the Supported Living & Ageing Well Strategy includes the publication of a Carers' Action Plan and the development of a new reablement service to promote independent living. Work is ongoing to consider the implications of expanding the scope of the Long-term Care Insurance Fund to cover care at home and to ensure that the funding arrangements for long-term care are sustainable given the Bailiwick's changing demographic.



Safe and secure place to live

The Assembly will consider a policy letter before the end of this term that sets out a future justice policy, building on the Criminal Justice Strategy 2013-2020 and examining the core criminal justice institutions and their functions.

Work on the Housing Strategy is ongoing, and comprises of work including the identification of future housing requirements; the consideration of the housing needs of specific groups such as key workers and the elderly; and the consideration of the need for affordable housing.

Later this year the Assembly will consider its energy policy that will form the basis of government policy. This will provide direction for businesses and consumers to plan for the future and make sound investment decisions in a changing market. Further work continues on the hydrocarbon supply and renewable energy programmes to meet Guernsey's long-term energy needs. These contribute to the Island's response to climate change, and operationally the States is overseeing considerable work aligned to previous policy decisions with regard to transport and traffic, and to environmental protection and biodiversity.



Fighting climate change

The need for urgent and meaningful action on climate change is widely recognised. The States is alive to the pressing need to minimise our carbon emissions and reduce our environmental impact. Guernsey has made relatively good progress to date, reducing carbon emissions by around 35% on 1990 levels, but even so falls short of the reductions that scientists say are necessary to avert dangerous levels of warming.

Government must continue to reduce Guernsey's contribution to climate change. Many factors relating to climate change are included in existing work such as energy policy, hydrocarbons supply programme, renewables, integrated transport strategy, waste strategy, biodiversity strategy and the long-term infrastructure investment plan.

Guernsey Finance and the Guernsey Financial Services Commission are developing a 'green finance' offer combining Guernsey's finance sector expertise with its desire to be part of the fight against climate change. This has led to Guernsey registering the world's first regulated green fund, and to joining the International Network of Financial Centres for Sustainability .

Work will begin on the formulation of a 'Climate Change Action Plan', to be coordinated by the Committee *for the* Environment & Infrastructure. In addition all policy matters brought to the Assembly should address their consequential impact on climate change.

OUR PLACE IN THE WORLD



Centre of excellence and innovation

The States of Guernsey's Digital Framework, published in 2017, identified the role that government can play in directly supporting the digital and wider economy through innovation and capability. 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. Progress has been made on areas such as digital skills and cyber-security, and the Digital Greenhouse and Locate Guernsey are working together closely to attract and support digital businesses.

The Committee *for* Economic Development published the Future of Telecoms strategy document in July 2018. This sets out policy for the roll-out of next generation telecoms infrastructure to secure the Island's digital connectivity into the future. It includes policy for the accelerated implementation of 5G, fibre to business and minimum residential broadband speeds. Following consultation with on-island telecommunications providers and the regulator, the Committee will be submitting a policy letter for debate by the Assembly in September 2019 to seek States' approval for the implementation of the strategy during 2020.



Mature international identity

The Policy & Resources Committee, together with the States' Principal Committees, has been working closely with the UK Government to manage the impact of the UK's exit from the EU and to mitigate from any impact to the islands where possible. This has included the establishment of a rolling programme of meetings with Whitehall departments, in Westminster with Parliamentarians, and with EU institutions in Brussels. We have worked closely with Jersey and the Isle of Man, and with the devolved administrations through the British-Irish Council, which we hosted in 2018.

Important areas of progress include:

- The proposed extension of the territorial seas around the Bailiwick from 3nm to 12nm;
- Maintaining the free movement of goods with the UK, through the establishment of a new Customs Arrangement with the UK;
- Managing the free movement of people by maintaining the Common Travel Area and respecting the rights of EU nationals resident in Guernsey after Brexit;
- Working to extend the UK's Membership of the World Trade Organization to Guernsey in order to provide a basis upon which Guernsey can take part in any Free Trade Agreements alongside the UK;
- Setting out a blueprint for a future relationship with the EU; and
- Developing a contingency plan in event of 'no-deal.'

Work has continued with the EU Commission's Code of Conduct Group on a screening process relating fair taxation, tax transparency and substance. In March 2019 the European Council of Finance Ministers (ECOFIN) formally reaffirmed Guernsey as a cooperative jurisdiction.



Strong, sustainable and growing economy

In 2018 the States agreed an economic development strategy focused on ensuring we have the right conditions for business to set up, grow and operate successfully – the removal of red tape, strengthening digital and transport connectivity, and supporting the finance sector, the tourism and hospitality sector and retail among the priorities.

We are now properly monitoring our economic environment to ensure we stay competitive – for example, use of the Global Entrepreneurship & Development Index in respect of the development of the digital economy; the use of the World Bank’s Doing Business index to ensure ease of doing business; more robust competitor jurisdiction analysis; better use of data and information, from revalidated GDP figures through to the work of the newly-established Economy & Productivity Advisory Panel.

The newly-established joint Committee approach to the development of a long-term infrastructure investment plan will support the development of a stronger economy, not least through the potential opportunities for the Island’s construction and development sector.

The current review of the new Population Management Law and importantly the States’ Strategic Population Objective will bring to the Assembly later this year the opportunity to re-affirm its commitment to ensuring we have enough workers with the necessary skills to support the economy now and in the future.



Sustainable public finances

2018 was a good year with positive income receipts, particularly in income tax and document duty which, together with an expenditure underspend, meant that there was a surplus that modestly exceeded that budgeted. The 2020 Budget Report will include proposals for use of this surplus, taking into account the projected financial position for 2019 and 2020. The 2019 financial position is delicately poised and there are multiple challenges faced in all areas: income; expenditure; and the delivery of savings.

The States' Medium Term Financial Plan included a commitment that the burden of eliminating the structural deficit would be shared between taxpayers, particularly those most able to pay (35%), and a reduction in the cost base (65%). The identification of sources of raising additional income is proving challenging; there are a limited range of options available and relying purely on economic growth is not prudent or justified.

The role of the Policy & Resources Committee is to try and find a reasonable balance between revenue raising at a level which the economy can bear and providing funding for delivery of an appropriate level of public services. This is a difficult balance but the funding necessary to invest in development of services can only be provided from reducing the cost of existing services; ceasing to provide services which are no longer required or considered not to be priorities; or raising additional income through increased taxation which takes money from the community and out of the economy.

2019 is the first year in which it is planned that savings will be wholly delivered through transformation of the delivery of services and the States supported the organisational design approach set out in the 2019 Budget Report. An update on the success of this approach and details of the savings it has or is planned to deliver will be included in the 2020 Budget Report together with any revised forecast of their value and timing of delivery.

The delivery of these savings is not about cutting services, but about realising significant savings by delivering services at a lower cost. It is necessary to ensure that public services are modern, fit for purpose



Capital Portfolio Update

The States continue to improve the way infrastructure and major projects are developed and delivered in order to ensure that the 'right' solutions are delivered that best support government's priorities and offer best value. Programmes such as the Waste Strategy and more recently, Future Digital Services, have involved significant internal resources, managing multiple integrated work streams, and engaging publicly and politically.

The Policy & Resources Committee believes that the longer term approach to the development of capital projects which is being encouraged through the funding of a project pipeline should help ensure that projects are better placed to commence once the States consider the next prioritisation round in 2021. In addition, the States' recent approval of the proposals surrounding the modernisation of the Princess Elizabeth Hospital further endorses taking a longer term view.

The total estimated value of the projects and programmes currently being planned and delivered is in excess of £300m, from immediate routine projects that maintain existing services to major projects that will support the transformation of services over the next ten years, including Hospital Modernisation, Future Digital Services, the Revenue Service, Hydrocarbon Supply and Education Estate Development.

Up to the end of Q1 2019 a total investment of around £47m has been approved for the continued development and delivery of 20 major capital projects. This includes the £29.5m for Waste Transfer Station and £2.2m for Household Waste Recycling Centre. In addition to the large programmes, several smaller projects such as the Bus Fleet Replacement, Health & Social Care's Local Area Network, Footes Lane Track Refurbishment and the Turntable Ladder Fire Appliance are expected to be completed during 2019 with an estimated value of £6.5m.

Progress with the development of major projects is improving. This is being done through the provision of seed funding to ensure projects are appropriately resourced and, later in 2019, through the introduction of a small team of capital 'business partners' which should provide focused guidance and targeted resource to such projects.



States of
Guernsey

For more information go to
gov.gg/futureguernsey