

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

POLICY & RESOURCES COMMITTEE

GOVERNMENT WORK PLAN 2021-2025
Investing in Islanders, our Island and our Future

The States are asked to decide:-

Whether, after consideration of the 'Government Work Plan – stage 2' Policy Letter dated 17th June, 2021, they are of the opinion:-

1. To agree that -
 - a. the Government Work Plan is the approach to recovery that the Assembly has adopted for this political term to provide a framework for determining, developing and resourcing the most critical actions to be completed by government; and
 - b. all Committees of the States should advise and consult with the Policy & Resources Committee on emerging issues critical to the Island's economic competitiveness and success, and the health and wellbeing of Islanders, and that are likely to require resource and funding within the Government Work Plan this political term;
2. To approve the top ten recovery actions for the first six months as set out in section 1.8 and the wider actions to be progressed in 2021 and 2022 as set out in the four priorities of the Government Work Plan framework in Annex 1;
3. To agree that all Committees of the States will work with the Policy & Resources Committee to prioritise and resource the progression and completion of the actions in the Government Work Plan;
4. To agree, in principle, the actions to be progressed and resourced in 2023 and 2024 as set out in the four priorities of the Government Work Plan framework in Annex 1, and direct the relevant Committees of the States to work with the Policy & Resources Committee to further explore the resource requirements, and the impact

against the Assembly's agreed outcomes¹, to inform the consideration of the Government Work Plan by the Assembly in June 2022;

5. To agree that the actions identified in Annex 2 are held in abeyance and kept under review as part of the monitoring required to maintain the focus and relevance of actions prioritised annually by the Assembly in the Government Work Plan, as set out under Rule 23 of the Rules of Procedure of the States and their Committees;
6. To agree the governance arrangements for the workstreams within the four priorities of the Government Work Plan, as set out in Annex 3.
7. To agree the monitoring framework and recovery action reporting approach set out in Annex 4, and to note that the Policy & Resources Committee will continue to develop this framework for annual reporting purposes in accordance with Rule 23;
8. To agree that the Funding & Investment Plan sets the framework within which funding will be secured and financial resources allocated during this political term and to direct the Policy & Resources Committee to prepare annual Budget Reports within this framework.
9. To direct all Committees of the States to prepare annual budget submissions and other funding requests to deliver actions prioritised within the Government Work Plan and to agree that funding should not be made available for non-prioritised service developments.
10. To agree that the Committees of the States are collectively responsible and accountable for delivery of the savings set out within the Funding & Investment Plan which are integral to funding: baseline pressures; the revenue impact of capital expenditure; and the ongoing costs of the government priorities as defined through the Government Work Plan.
11. To authorise the Policy & Resources Committee to approve transfers of funding from the Budget Reserve and General Revenue Reserve to Committee budgets and make specific allowance in recommended Cash Limits for 2022-2025 in order to resource:
 - i. Managing the effects of Brexit and meeting international standards (ongoing expenditure) over the period 2021 – 2025 for the specific initiatives detailed in Appendix 11.5;

¹ [Billet d'État VI of 2021, Resolution 2](#)

- ii. Recovery actions (ongoing expenditure) over the period 2021 – 2025 for the specific initiatives detailed in Appendix 11.4;
 - iii. Revenue impact of capital expenditure (ongoing) over the period 2021 – 2025 for the specific schemes detailed in Appendix 11.7;
 - iv. Recovery actions (one-off expenditure) over the period 2021 – 2025 for the specific initiatives detailed in Appendix 11.4; and
 - v. Reshaping government initiatives (transformation) (one-off expenditure) over the period 2021 – 2025 for the specific initiatives detailed in Appendix 11.6.
- 12. To direct the Policy & Resources Committee to include proposals in the annual Budget Report for each of the years 2022, 2023, 2024 and 2025 to generate an additional real-terms increase in revenues for each of these years of £1million per annum.
- 13. To approve the schemes detailed in Figure 20 as the capital portfolio for the period 2021-2025, acknowledging that the portfolio value is £200million in excess of the funding available and, consequently, funding the portfolio will require the States to enter into new borrowing facilities of a maximum of £200million.
- 14. To agree the assurance and approval pathways for capital projects set out in paragraphs 6.2 to 6.10 in the Funding & Investment Plan at Annex 5, including delegating authority to the Policy & Resources Committee to approve the opening of capital votes for all schemes in the capital portfolio or to enter into alternative delivery arrangements, subject to the overall capital portfolio being delivered within a total of £568million.
- 15. To agree that the balance of the Bond Reserve as at 30 June 2021 shall be transferred to the General Revenue Reserve.
- 16. Notwithstanding the Resolutions of the States of 1 May 2020,

To authorise the Policy & Resources Committee:

- a to continue with a maximum of £200million of the existing £225million short-term borrowing facility, and to increase or decrease its term; and
- b to enter into new external borrowing facilities

up to a total maximum of £200million for a period of up to 40 years, on such terms and conditions as the said Committee shall deem appropriate.

17. To agree that the Policy & Resources Committee may by Resolution authorise the President of that Committee, or a delegate nominated by the President for the specific purpose, to sign any document necessary for the purposes of entering into or otherwise in connection with the borrowing facilities referred to in Proposition 16.
18. Notwithstanding the Resolutions of the States of the 8 October, 2014 on Article I (Propositions 27 and 28) of Billet d'État no. XXII of 2014 and the 16 January, 2020 on Article V (Proposition 1) of Billet d'État no. I of 2020, to agree that:
 - a. the proceeds of the 2014 States of Guernsey Bond issue; and
 - b. the capital raised by external borrowing facilities taken up pursuant to proposition 16b

can only be used for:

- i. on-lending to States owned entities including subsidiaries thereof, trading accounts and funds, the Guernsey Housing Association, the Alderney Housing Association, the Ladies College and / or to sporting organisations or playing field authorities to support the provision of sporting facilities on such terms and conditions as the Policy & Resources Committee shall deem appropriate; and
 - ii. financing capital expenditure which is part of the States capital portfolio, including on-lending to schemes progressed under alternative delivery arrangements, with the interest charged on that amount and any associated expenditure for arranging the facilities and their ongoing administration to be funded as "Financing Costs" from the General Revenue Account.
19. To rescind or rescind and replace extant Resolutions as set out in Annex 6;

20. To agree to adopt an approach consistent with the management of the work of government when prioritising legislative drafting and therefore approve the proposed Schedule of prioritised drafting of legislation as set out at Annex 7, noting that where possible during this term of government every effort will be made to reduce the requirement for future legislation by ensuring that legislation is only recommended where there is no practicable alternative solution; and
21. To agree the revisions to Rule 4 of the Rules of Procedure of the States of Deliberation and their Committees, as set out in Annex 8 and direct the States' Assembly & Constitution Committee to amend the Rules accordingly.

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

POLICY & RESOURCES COMMITTEE

GOVERNMENT WORK PLAN 2021-2025
Investing in Islanders, our Island and our Future

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

17th June, 2021

Dear Sir

1 Executive summary

- 1.1 This is the Assembly's Plan to 'work in partnership to recover our economic prosperity, build on our inclusive community values and capitalise on our many strengths to make Guernsey a safe haven based on sustaining health, wealth and community².'
- 1.2 We will support investment in housing, education, health and infrastructure; we will enable economic growth, diversification and innovation; we will enable regeneration while protecting our natural and marine environment; and we will accelerate the transformation of the public service and reduce government costs.
- 1.3 During previous terms the Assembly has under-invested in critical national and economic infrastructure, has deferred significant decisions time after time, and it has encouraged the size and cost of government to grow through failing to prioritise and take difficult decisions. Conversely, the challenges of Brexit and the global pandemic have shown that government in Guernsey can work effectively and efficiently when it has clear priorities, is prepared to meet its challenges, and recognises it has opportunities it must take.

² [Recovery Strategy - Revive and Thrive](#)

- 1.4 The experience of the past two years shows that we can and must change – we must prioritise, we must invest in the long-term future of the community and economy, and we must make government fit for the future. The States of Guernsey (“the States”) need to be bolder and focus on completing a smaller number of critical actions or enabling activities phased through the political term to maximise return in the short, medium and longer term, as opposed to attempting to deliver too much at once and achieving less.
- 1.5 This means that the States need a single, consolidated and prioritised plan to deliver in this political term the actions necessary to maintain our community’s resilience and our Island’s sustainability and to set the foundations for next term and beyond. They need to act decisively in the short-term and plan for the future. They must also rethink the role of government – the States must be committed to delivering critical public services, protecting our living environment and keeping us competitive in the global economy. But they do not need to create layers of bureaucracy and regulation that stifle innovation and cost taxpayers yet more of their hard-earned money to enable the States to administrate. They need to readdress what they must do, and how they do it.

To achieve this, the States must:

- Continue to manage the public health risks associated with the COVID-19 pandemic in an effective way – in keeping our community safe we are also protecting our economic wellbeing;
- Understand that our Bailiwick’s future rests in its people through addressing education, skills and literacy; employment and working conditions; income and social status; and the physical environment;
- Reduce unnecessary burdens on business while meeting international standards – we need less regulation, and where required it must be proportionate and risk-based;
- Maintain a competitive environment through strengthening digital connectivity and resilient transport; understanding our approach to risk as an economy; and keeping business costs as low as possible;
- Invest taxpayers’ money in those initiatives that will improve their lives meaningfully now and in the future, ensuring services are available where they are needed, and delivered in the most effective way;

- Accelerate the pace of public service reform and transformation and continue improving the purpose and efficiency of government services;
 - Be prepared to step back and work in partnership or let others in our community take the lead and apply their expertise and energy to projects which for too long government has tried to control – such as regeneration, energy, social housing, skills development and lifelong learning, and infrastructure management. This approach will mean commissioning service delivery and potentially infrastructure management to external partners or public-private partnerships, reducing cost, sharing risk, sharing knowledge and increasing speed and efficiency; and
 - Maintain momentum - during the pandemic and through the exercise of Emergency Powers, the States have been able to make essential decisions rapidly and have communicated with credibility to the public, businesses, and other organisations to the envy of other jurisdictions. This has enabled government to build and maintain public trust and respond quickly to emerging issues. It is critical that the States maintain this momentum.
- 1.6 The States will achieve this by completing work already in train; focusing energy on new work that delivers against the agreed outcomes; and stopping other work that either is less relevant today or significantly impacts revenue costs and needs to be re-assessed. This approach has been applied consistently across policy development, capital investment, prioritising legislative drafting and discharging States Resolutions and underpins the proposals set out in the Government Work Plan (“the Plan”). The States will need to work in partnership with external bodies and agencies as it will not have the capacity or expertise to do this alone.
- 1.7 The States recognise that our economy is linked closely to that of Alderney – with whom Guernsey is effectively in fiscal union – and of Sark. The Islands’ Assemblies are mindful of the mutual benefit in Guernsey, Alderney and Sark having strong economies, and where appropriate and practical will seek to work together in order to strengthen those economies.
- 1.8 The Policy & Resources Committee has identified ten critical recovery actions and decisions for government for the first six months noting that significant decisions will be made by the Assembly on the date of this publication with regards to future harbour development and shortly after on secondary and post-16 education. These critical actions address the immediate issues while work also commences on the longer-term policy objectives already established on climate change and sustainability:

- **Housing:** Scope and deliver urgent measures necessary to address housing pressures;
- **Education:** Commence the reorganisation of secondary and post 16 education;
- **Skills:** Set out and resource proposals to grow knowledge and skills in our community;
- **Digital infrastructure:** Determine and begin implementation of the approach to enhanced digital infrastructure;
- **Children:** Support vulnerable children through revision to the Children Law and action on the Outcomes Report;
- **Population:** Assess the fitness for purpose of our population and immigration framework while recognising the need to balance economic needs with maintaining quality of life;
- **Finance and tourism:** Invest additional funding into promoting Guernsey's finance sector and establish a tourism plan and campaign to expand Guernsey's tourism offer;
- **Regeneration:** Establish a development agency and enable work to begin on the development of the seafront masterplan;
- **Transport:** Set out a clear and co-ordinated transport connectivity and infrastructure policy and further develop the general and commercial aviation sector; and
- **Health recovery:** Support the physical and mental recovery of Islanders through scoping and delivering the SOHWELL³ phase 3 programme and launching the pilot wellbeing centre jointly with third sector partners.

1.9 The Funding & Investment Plan in Annex 5 has overlaid the costs associated with all the priorities set out in the framework in Annex 1 as well as the results of the capital prioritisation exercise on the States' medium-term baseline. Although it is expected that the States' general revenue position will return to surplus following the COVID-19 period, those surpluses are not sufficient to support the delivery of government's priorities and invest in necessary capital infrastructure which is now vital if the States want to achieve all the ambition they have set out in the Government Work Plan.

1.10 Therefore, the Policy & Resources Committee is recommending that, as a short term solution, the States agree to utilising the un-lent proceeds of the previous bond issue and to a further £200m of borrowing to invest in the islands' infrastructure, improve our financial resilience and boost economic recovery and expansion.

³ Supporting Occupational Health & Wellbeing programme: phase 3 will respond to pandemic pressures by building on vocational rehabilitation and occupational health services and achievements of phases 1 and 2.

- 1.11 The Policy & Resources Committee is recommending that the States only borrow what is actually required to fund capital investment and will look for the most cost effective and low risk debt option to deliver on the ambition of the States and ensure financial security over the medium term.
- 1.12 The proposed funding solution to borrow, in addition to the usual utilisation of reserves to support the capital requirements over the current term, is intended to enable the immediate progression of the States' priorities. However, it is a temporary solution only and a way of managing but not removing the underlying structural deficit. Without further action, beyond 2025 the States will again have to consider how best to support their spending requirements in the face of the same pressure to provide for the increased demand for existing services and maintain an appropriate level of capital investment. A longer-term solution is required, and the provision of that solution will span the consideration of expenditure (covered within the States' priority 4 – Reshaping Government), economic growth (included within priority 3) and raising additional revenues (with proposals from the Tax Review due to be considered by the States in September 2021) - all three elements will be required to achieve a sustainable solution.

2 Introduction

- 2.1 The impacts of the pandemic on public finances have been significant and the long-term challenges of demographics, inequalities in living standards, climate change, under-invested infrastructure and global competition facing government remain.
- 2.2 If the States attempt to do too much at once, consistently review decision making, or become distracted from agreed activities, they will significantly reduce their ability to complete actions that will deliver change. This in turn will frustrate the relationships with our community and partners. For this reason, the Plan has a focus on the first 18-month period and in recognising that public service capacity will be the limiting factor on delivery, the Policy & Resources Committee has specifically indicated those actions it believes should receive priority resourcing.
- 2.3 Guernsey needs to demonstrate that it is open for business by prioritising enablers such as skills, digital capability, cutting red tape, ensuring regulation is proportionate and maintaining Guernsey's competitive advantage. It must continue to invest in its community; to keep Islanders safe, secure and able to meet their basic needs; to have a resilient and proportionate government and public sector that is focused on enablement and support of those it exists to serve.
- 2.4 These proposals are a first step in this new approach to delivery: as far as possible

within the time available the Policy & Resources Committee has sought to identify and resource enabling actions on which this Assembly can build annually to deliver the high-level ambition it has already established in line with the international targets of the United National Sustainable Development Goals.

3 Background and current context

Government Work Plan: stage 1 setting the direction of travel

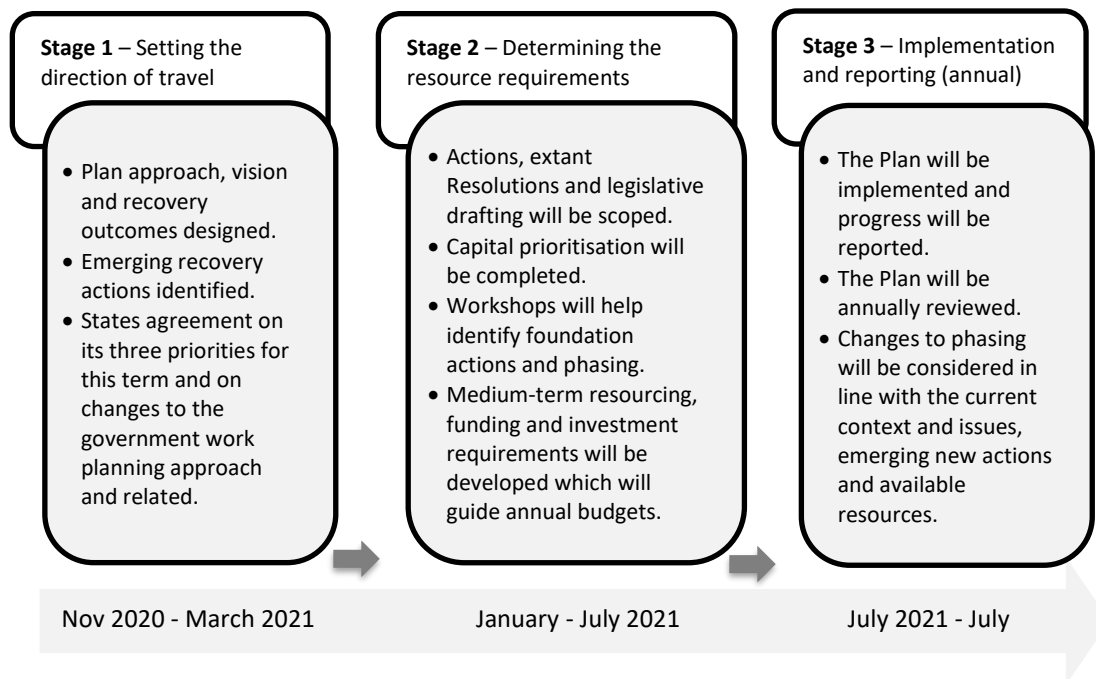
- 3.1 In March 2021, the Assembly considered the wider context for recovery planning, identifying 16 outcomes its Plan should seek to deliver across four priorities for government:
- Responding to the COVID-19 pandemic;
 - Managing the effects of Brexit and our international obligations;
 - Delivering the recovery actions; and
 - Reshaping government (at that time termed ‘right-sizing government’).
- 3.2 The first two priorities continue to receive priority resourcing. The third and fourth priorities are where the States have sought to identify the right actions to deliver the agreed outcomes and which they have a greater degree of choice.
- 3.3 In the stage 1 Policy Letter the States also recognised that there is a virtuous circle: where the urgent need to recover and enable further economic stability and prosperity will provide employment and secure the revenues to fund important social and environmental policies; implementing those social and environmental policies supports Guernsey’s resilience and competitiveness, which in turn supports economic recovery.
- 3.4 Since March 2021, the landscapes have all changed: Guernsey has experienced a second lockdown; new variants of concern have emerged; the global approach to managing COVID-19 has shifted; and efforts to vaccinate and protect the global population are progressing.
- 3.5 For Guernsey, the change is positive, moving swiftly from a full lockdown lasting 58 days to a community that is learning to live responsibly with COVID-19; border restrictions are easing slowly and cautiously to preserve an exceptionally strong internal economy (Annex 5 for financial appraisal within funding and investment proposals). Contextual issues, including those that have become apparent since the Assembly agreed stage 1 of the Plan, have been factored into the set of proposals presented in the Plan in Annex 1

4. Government Work Plan approach

4.1 The Policy & Resources Committee has worked collaboratively with States Members to develop proposals that make the best use of available resources, as set out in Figure 4.1 below. Stage 2 has sought to further identify and determine actions and their resource requirements for this term under all four priorities by gathering available information on each priority and the actions listed within from a variety of sources including:

- A review of extant Resolutions and prioritised legislation;
- Exploring further government strategies and larger areas of policy work;
- The results of the capital prioritisation process;
- Prioritisation of the public service transformation projects;
- Officer level test and challenge discussions; and
- Sub-Committee and other political engagement such as through discussions with Committees, the regular meeting of Presidents and specific update events held in May and June 2021 for all States' Members.

Figure 4.1: Government Work Plan approach



4.2 Work to determine the indicative medium-term resourcing, funding and investment requirements of the Plan has been carried out in stage 2, alongside the refinement and grouping of actions into synergised workstreams within each priority. This is not

without its challenges as policy options are naturally at different stages in their development, and political decisions and their cost implications may consequently be understood to only a limited degree, if at all.

- 4.3 Wider stakeholder engagement has been limited to the relationships with policy-holding Committees which has informed their contributions to the Plan. It is the very clear intention of the Policy & Resources Committee, however, to ensure partnership working, co-design of policy and operational solutions, and commissioning of services, once the priority of work and its associated resourcing have been directed by the Assembly.

Recovery action prioritisation

- 4.4 In recognition that time would not allow significant periods of political consultation and given the practical difficulties in developing high level strategy with the numbers forming the full Assembly, the Policy & Resources Committee established a Government Work Plan Sub-Committee (“the Sub-Committee”) of political representation from across the Assembly (Terms of Reference at Annex 9).
- 4.5 The Sub-Committee met frequently during April and May 2021 to develop, consider, and challenge proposals drawn in the main from the emerging list before the Assembly in stage 1 earlier this year, and recommend (by majority as necessary) a set of proposals for the recovery actions, including their phasing and how they might be monitored and measured. The Sub-Committee developed a set of criteria to assist the process which was made available to all States’ Members in line with the stated aim to develop a Plan that the majority in the Assembly could support through a transparent process (Annex 10).
- 4.6 The Sub-Committee was also consulted on possible approaches on governance for the Plan and the engagement approaches used to keep the wider Assembly informed. This resulted in three sessions for States’ Members, held in May and June, during which the developing proposals and their phasing established by majority recommendations of the Sub-Committee were shared, tested and challenged before the Policy & Resources Committee formally considered a final set of proposed actions.
- 4.7 More widely, officer-led information sessions provided States’ Members with greater context on monitoring and metrics and Guernsey’s place in the world and stakeholders have been actively engaged in discussions on measuring and metrics. Additionally, discussions have continued with the Guernsey Community Foundation and the Association of Guernsey Charities, centred primarily on the enhanced future

partnership working envisaged by a commissioning model.

- 4.8 The Policy & Resources Committee cannot overstate the resource implications across this Plan. Often an action requires input from the same group of politicians and public servants. An improved approach to determining and resourcing priorities is therefore essential and has led to the phasing approach set out in the framework.
- 4.9 The resource and funding requirements of actions impacting the financial baseline have also been considered. These were supported by a majority of the Sub-Committee and have been explored in workshops with States' Members.

NICE TAs

- 4.10 When the Assembly agreed to the phased introduction of NICE TAs in January 2020⁴, it did so recognising the clear funding gap which exists in respect of health and care services. With an ageing demographic, a growing demand for increasingly specialist services and continued clinical developments, healthcare is getting more and more expensive. This makes decisions about investment particularly difficult and this is a conversation that is necessary as a community about what services we expect and what we are willing and able to pay for these.
- 4.11 COVID-19 means that these decisions have become even harder, and the reality is that events of the last 18 months will have a lasting effect on how care is delivered for years to come. Very positive progress is being made on the implementation of NICE TAs but the complexity of introducing a wider range of drugs and treatments means the full roll-out of the first group – that is with an ICER of up to £30,000 - will take some time.
- 4.12 A review was originally proposed after tranche 2 - the introduction of drugs and treatments with an ICER value up to £40,000 - but it is now proposed to be undertaken and brought to the Assembly two years after the operation of the new policy providing drugs and treatments with an ICER up to £30,000.
- 4.13 This is not a position in which any Member of the States would wish to find themselves, however it is necessary that the States consider carefully if progressing further with this policy is the very best way to secure maximum impact for very significant, additional annual expenditure in health services.

⁴ [Resolution 1 of Article VI of Billet d'État I of 2020.](#)

- 4.14 The original decision was made in the knowledge that there was no long-term funding and additional revenue would have to be raised through taxation. This remains true just to maintain the policy decisions already being implemented.
- 4.15 For the avoidance of doubt, funding with a provision for medical inflation and an increase in available treatments approved by NICE is maintained in the Funding & Investment Plan for drugs and treatments with an ICER up to £30,000. There is no recommendation to cease this policy. However, no provision has been made to increase the range of drugs and treatments beyond this point, as the recommendation is that the States re-assess the further advancement of this policy.
- 4.16 To extend to an ICER value greater than £30,000 before any review, given the decision pre-dates two lockdowns and the impact of the pandemic on the global economy, would be unwise in the context of today's public finances. To re-evaluate demonstrates good governance and stewardship of public funds. With limited funds available the States need to consider which actions will have a wider community impact.
- 4.17 Should the States wish to continue to discharge the extant Resolution in full, they must note that this is an annual revenue cost, increasing outside of their control by medical inflation and as new drugs and treatments with an ICER up to £40,000 are approved by NICE. The Health Service Reserve will be drawn down sooner, as there is limited funding available, and so it would be prudent to consider which health policy options will benefit the community most, and further pressure will be applied to revenue raising mechanisms which in themselves will likely impact on the wider determinants of health for many Islanders.

Discrimination Ordinance: equal pay for work of equal value

- 4.18 In July 2020, the States' approved a number of Resolutions relating to the new multi-ground Discrimination Ordinance, and a two-phased approach to carrying out the relevant policy development and legislative drafting.
- 4.19 The States required the Committee for Employment & Social Security to develop policy proposals for Phase 2 of the new Discrimination Ordinance, including proposals in respect of equal pay for work of equal value ('EPWOEV').
- 4.20 EPWOEV is different to 'equal pay for equal work'. The States agreed in July 2020 that it would be unlawful under the new Discrimination Ordinance for an employer to establish or maintain differences in pay between employees doing "equal work" based on any of the protected grounds. People are considered to do equal work

when they do the same work in the same or similar conditions, or where two people are doing work of a similar nature and the differences in the work performed or the conditions under which it is performed are either of small importance or the different duties are performed infrequently when considering the work as a whole.

- 4.21 EPWOEV provisions allow people doing different jobs to compare pay differences related to a ground of protection which might help to challenge systemic pay differences or occupational segregation. In July 2020, the States noted the Committee for Employment & Social Security's intention to recommend, in 2023 (as part of the Phase 2 policy proposals), the introduction of the right to equal pay for work of equal value in respect of sex, in accordance with the International Covenant on Economic, Social and Cultural Rights and in order to support the extension of the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). The timetable agreed suggested EPWOEV would require a four-year implementation period, so that it would commence in 2027.
- 4.22 As part of the phasing process of the Plan, informed by the Sub-Committee's views, by a majority, the Policy & Resources Committee is suggesting that the policy development for EPWOEV is deferred until the next government term due to limited policy development resources, given the other priority actions, and uncertainties over the costs involved.
- 4.23 Specifically, there are three reasons for this recommendation:
- It provides opportunity for the Policy & Resources Committee to investigate with HM Government the options now open to Guernsey with respect to securing the extension of CEDAW considering the approach in managing pay awards in the recent past and the recent news that Jersey secured its extension without this legislation;
 - Given the impact of COVID-19 on the economy and government finances, the later commencement of any approved proposals will offer greater time over which to prepare given the starting point will have changed significantly for a number of businesses and for the States; and
 - There is a need to better understand the impact of Phase 1 of the new Discrimination Ordinance which should commence in late 2022 which will make it unlawful to fail to provide equal pay for equal work on all the new protected grounds – disability, race, carer status, sexual orientation or religion or belief (but not sex, although this is already unlawful); and to undertake an economic impact assessment in order to better understand the financial impacts of such policy changes and given the current fiscal position of the States as a result of the COVID-19 pandemic.

- 4.24 While the policy options have not been established, the Policy & Resources Committee is strongly of the view that before proceeding with investing scarce people resource into managing further policy development that the Assembly should understand the impact of the changes to be made under Phase 1 and 2a of the Discrimination Ordinance to be delivered this term to assist with assessing the ability of the economy to absorb further change.
- 4.25 Importantly, this proposal would not impact the current position of protection under the Sex Discrimination (Employment) (Guernsey) Ordinance, 2005 which is that unequal pay on the grounds of sex is unlawful discrimination.
- 4.26 By taking this evidenced based approach to policy development and the introduction of legislation, the Policy & Resources Committee intends to ensure pragmatism and proportionality in balancing the needs of Islanders with the needs of the economy that sustains them.

5 Government Work Plan priorities

Priority 1. Responding to the COVID-19 pandemic

- 5.1 The public service has made use of technology in building its strong response to the COVID-19 pandemic. Pre-vaccination, this was centred on testing and contact tracing capabilities, initially beginning with the testing of symptomatic individuals, before broadening to 'surge' and 'surveillance' mass-testing, in addition to the traveller testing regime.
- 5.2 These testing and contact tracing capabilities will be maintained through to the end of 2022, notwithstanding the protection provided by vaccination, representing a cautious approach that acknowledges the threats Variants of Concern could pose. Guernsey's vaccination drive has been one of the fastest and most successful vaccination programmes in the world. In addition, government is looking to expand its testing processes further by investigating wastewater testing capabilities and developing on-island capacity to rapidly detect Variants of Concern, which would lead to a more accurate understanding of the levels of virus prevalent in the general population and more targeted self-isolation and contract tracing, both useful tools as the virus moves toward becoming endemic and ensuring we are prepared for any future pandemics.
- 5.3 Most businesses in the Island have been impacted by COVID-19 in some way, although the extent of this impact varies between businesses and between sectors. The States have provided financial business support to these businesses, totalling

£51.3m in 2020 alone. Although many businesses are now operating effectively, some – such as those in the hospitality and tourism sector – are still negatively affected by border restrictions on and off-island. The States continues to provide focused financial support to these businesses at a significant cost to the public purse, recognising their importance as a part of the Island’s economy and community.

- 5.4 The border restrictions that have negatively impacted these businesses and restricted the lives of Islanders are in a gradual and cautious phase of being eased, with the hope that travel without isolation can be implemented from July 2021 for vaccinated individuals from certain regions. This represents one of the biggest steps to return to a more normal life since the start of the pandemic and opens Guernsey up to the world once again.
- 5.5 The shift to a new normal will bring with it several additional actions that will need to be implemented. This includes work to enable Guernsey to: introduce COVID-19 Status Certification; and rescind or transfer emergency legislation that was enacted by the Civil Contingencies Authority to respond to the pandemic. In addition, a traveller testing regime will be maintained. These work streams will ensure the Bailiwick of Guernsey moves forward with the world into this new sense of normality, while constantly and actively appraising the need for border restrictions and non-pharmaceutical interventions should they be required.

Priority 2. Managing the effects of Brexit and our international obligations

- 5.6 Guernsey must retain its autonomy and assert its international identity while continuing to meet international obligations and norms. This work is in large part but not exclusively shaped by the challenges and opportunities created by Brexit.
- 5.7 This priority area is constantly evolving, often at fast pace and therefore will need a degree of flexibility from the States and the relevant Committees to ensure that adequate and appropriate responses can be provided. Resourcing requirements can be uncertain as the full scope of some actions is not yet defined and may be impacted by geopolitical issues or the outcome of UK trade negotiations. It is therefore recommended as prudent for the States to ensure that resources can be made available for this priority area to fulfil obligations and respond effectively to external developments as and when the need arises.
- 5.8 There are four areas of focus within this priority: Trade Arrangements; Borders; Substance, Taxation and Reporting; and International Agreements and Conventions that includes the compliance required to meet our obligations. These areas reflect the breadth of work that the States will have to undertake. In the short term, that

will primarily be about the implementation and implications of the UK-EU Trade and Cooperation Agreement (TCA). It will also include work to fulfil obligations for other agreements, standards and conventions that are extended to the Bailiwick or in which the Bailiwick might wish or need to participate, in the future.

- 5.9 The **‘Trade Arrangements’** area of focus reflects the format of most modern Free Trade Agreements (FTAs). It is primarily focused on ensuring that the Bailiwick can continue to trade with the UK and EU with minimal barriers for the trade in goods, whilst meeting international obligations. Actions include enhancing Guernsey’s market surveillance capabilities to ensure the technical compliance of manufactured goods. Introducing and implementing measures to maintain the Bailiwick’s fisheries licensing regime and related trade is important for participation in the TCA as well as the management of strategic and regional relationships. There will also be a potentially substantial action to deliver the necessary measures to ensure that sanitary and phytosanitary (SPS) requirements are met to enable the safe import and export of animal and plant products, by developing and implementing an SPS border operating model for the Bailiwick. The delivery of this policy and model is dependent on the outcome of discussions with the UK Government. Further exploratory work will take place this term to identify actions for opportunities for trade in services, in addition to confirmed work to develop and deliver legislation for Limited Liability Companies and Guernsey’s competition regulations, and intellectual property in line with the Bailiwick’s intention to participate in those parts of UK-Rest of World FTAs.
- 5.10 The States will also be required to undertake a series of actions for its **‘Borders’** to ensure that, at a practical level, trade and movement of people can continue as smoothly as possible. It will be necessary to review, maintain and upgrade infrastructure, processes and procedures so that the Bailiwick complies with the UK-EU TCA and the UK-Bailiwick Customs Agreement, as well as to make changes in line with any new FTAs extended to the Bailiwick. Any deficiency in the border arrangements may risk Bailiwick trade being slowed down or stopped. Workstreams include the implementation of the required border infrastructure and for both Customs and Excise and Immigration and Nationality. There are also actions to ensure that the Bailiwick’s border arrangements align with the UK Home Office’s Digitalisation at the Border initiative.
- 5.11 Guernsey is a global finance hub and is committed to continuing to conform to the international standards that it has agreed to. However, the criteria that Guernsey must meet are continually evolving and several significant developments are expected over this political term in relation to **‘Economic Substance, Taxation and Reporting’** matters. This includes responding to, and assisting in shaping, the OECD

Pillars 1 and 2 and the ongoing work of the EU Code of Conduct Group, the former remaining under discussion but likely to be introduced in the second half of 2021. Discussions with the EU are due to commence to endeavour to enter into a bilateral arrangement related to the VAT Protocol to the TCA⁵. Preparation is already underway for the periodic reviews of tax practices undertaken by the OECD, the EU and UN to comply with the Common Reporting Standard requirements and recognising that any such changes will need to be reflected in income tax legislation. Actions here carry significant reputational importance, as non-compliance includes the risk of blacklisting by other jurisdictions or the EU. This area of focus links closely to the Tax Review and may impact the States' ability to support the other activities in the Government Work Plan.

- 5.12 There is a broad area of focus for '**International Agreements and Conventions**' which covers other international matters. This includes compliance with the various international agreements and standards which have been extended to the Bailiwick or which might be extended in future. Actions include maintaining compliance with international standards on financial crime and regulation, not least in anticipation of the MoneyVal assessment of Guernsey, reviewing the Bailiwick's terrorism legislation and enhancing cyber security capabilities. Actions also include ensuring the Bailiwick can maximise the opportunities presented by new agreements, whether this is by participating in other UK-Rest of World FTAs, or non-trade related agreements (which includes the Paris Agreement on climate change). The States will need to consider and review the wider implications of any new agreement to ensure that it is sufficiently resourced to carry out the implementation and any monitoring requirements and recognises that by nature international agreements, treaties and conventions are actively reviewed and amended, and therefore work to comply is never completed; they invariably are journeys, not destinations, and require focus and resource to secure continued compliance.
- 5.13 Finally, and importantly, this area of focus will seek to further develop Guernsey's international identity and enhance the constitutional resilience of the Bailiwick, in order to take advantage of opportunities and provide some protection in an ever-changing world with complex relationships.

⁵ The TCA includes a political declaration entitled, "A declaration in respect of the Bailiwick of Guernsey and the Bailiwick of Jersey on cooperation with the European Union on the recovery of claims related to VAT, customs duties and excise duties". Essentially, it seeks to create a relationship with the EU about tax information exchange and administrative assistance regarding certain indirect taxes and ensures that this arrangement is consistent with the Bailiwick's fiscal autonomy.

Priority 3. Delivering the recovery actions

- 5.14 Our community thrives when our economy is successful; and our economy is successful when our community thrives. The 14 workstreams across three areas of focus have been carefully considered and phased. The interconnections between the economy, social inclusion and environmental sustainability are critical, and if balanced in the right way will help Guernsey build a competitive, sustainable, safe and secure wellbeing economy. This is borne out through work undertaken by bodies such as the OECD, the World Bank and the United Nations.
- 5.15 Economic recovery is critical to community recovery, but the inter-connections across other areas of public services and Islanders' health and wellbeing are well documented:
- Economic hardship is highly correlated with poor health;
 - Increased levels of education are strongly and significantly related to improved health;
 - Improved housing conditions and greater access to green spaces should have a positive impact on health; and
 - The natural environment affects human health and wellbeing both directly and indirectly.
- 5.16 In 2018 the previous Assembly agreed to put in place the economic foundations to maintain and grow our economy. While progress was made in some of these areas, external challenges emerged which diverted resources and needed to be prioritised. In the intervening period Guernsey has opted to align with the TCA; has concluded a new settlement on borders and ensured continuing membership in the Common Travel Area; and extended the UK's membership of the World Trade Organisation to Guernsey. The States have also deployed the greatest amount of financial support since the Second World War in order to protect the economy from the worst impacts of COVID-19.
- 5.17 The States need to support Guernsey businesses 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.
- 5.18 Investing in our community's skills needs a partnership approach with external expertise and agencies, with the States providing targeted investment to build the skills of the future into our education system so they are accessible to all and enable flexible career choices to be made by individuals of all ages through appropriate

training.

- 5.19 Islanders have been fortunate in that the 'GuernseyTogether' approach to combat the spread of COVID-19 has required relatively short lockdowns in the Bailiwick followed by swift relaxation of public health measures. This has limited the negative impact on mental health, but the community surveys and on-going data indicate that Islanders' resilience needs restoring through improving their mental health.
- 5.20 We must support recovery by ensuring the Island has a population management regime, including immigration rules where it has discretion post-Brexit, that can respond quickly to the Island's changing economic, social and environmental demands. In doing so it must be acknowledged that there is a need to limit immigration to restrict population growth and manage pressure on public services, housing stock and the environment; and to access an off island workforce to address local skills and manpower shortages to maintain services in light of the demographic shift in the Island and to foster economic growth.
- 5.21 Appropriate investment in infrastructure will be critical for economic recovery, growth and sustaining our quality of life. We need to invest carefully in transport infrastructure, digital infrastructure and housing, but balance this with protection of our natural environment.
- 5.22 There are many further changes and challenges on the horizon, such as: climate change; the demographic challenge and the need to increase the size of Guernsey's economically active population; and emerging technologies which may lead to the use of artificial intelligence in some of the Island's core economic activities. In order to be equipped to face these challenges, and to capitalise on future opportunities, we need to be outward-looking and open.
- 5.23 We will need to maintain and strengthen Guernsey 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.
- 5.24 Maintaining our support for the financial services industry is a critical priority. Our finance sector is an acknowledged international centre of excellence which provides investment capital to the UK and global economies, making a positive contribution to prosperity beyond these shores. Combined with the adherence to international

standards of transparency, probity and financial stability, Guernsey is a jurisdiction that provides certainty and security to the investor. We must maintain and promote that sector.

- 5.25 We also need to consider our resilience. 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. This will ensure that we can resist any future internal or external shocks.
- 5.26 There are opportunities in doing so that engage other sectors including the blue economy (including sustainable fisheries, marine renewables and eco-tourism); medical technology, where Guernsey already has an emerging sector and which will bring health investment into our community; renewable energy (natural resources of solar, wind, marine current and tidal energy and so help deliver against our net zero emissions target by 2050 or sooner); data analytics and processing, and data governance and digital services. An important enabler to continue to develop will be the Island's digital capability across all economy sectors, and for all Islanders.
- 5.27 The types of businesses that we most want to grow and attract are 'scale-ups' in high value-added light footprint industries – that is, those businesses seeking to expand, achieve new investments, and seek new market opportunities. The types of people we want to attract actively to the Island 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, with good health and education services for families and a strong sense of community.
- 5.28 The Policy & Resources Committee has therefore identified the ten critical recovery actions and decisions for government for the first six months across the 14 workstreams, noting that significant decisions will be made by the Assembly on the date of this publication with regards to future harbour development and shortly after on secondary and post-16 education policy. These top ten address the immediate issues while work also commences on the longer-term policy objectives already established on climate change and sustainability:
- **Housing:** Scope and deliver urgent measures necessary to address housing pressures;
 - **Education:** Commence the reorganisation of secondary and post 16 education;
 - **Skills:** Set out and resource proposals to grow knowledge and skills in our community;
 - **Digital infrastructure:** Determine and begin implementation of the approach to

enhanced digital infrastructure;

- **Children:** Support vulnerable children through revision to the Children Law and action on the Outcomes Report;
- **Population:** Assess the fitness for purpose of our population and immigration framework while recognising the need to balance economic needs with maintaining quality of life;
- **Finance and tourism:** Invest additional funding into promoting Guernsey's finance sector and establish a tourism plan and campaign to expand Guernsey's tourism offer;
- **Regeneration:** Establish a development agency and enable work to begin on the development of the seafront masterplan;
- **Transport:** Set out a clear and co-ordinated transport connectivity and infrastructure policy and further develop the general and commercial aviation sector; and
- **Health recovery:** Support the physical and mental recovery of Islanders through scoping and delivering the SOHWELL⁶ phase 3 programme and launching the pilot wellbeing centre jointly with third sector partners.

Priority 4. Reshaping government

- 5.29 In resolving to prioritise 'right-sizing government' in stage 1, considerable debate centred on the variety of interpretations available to the expression. The fourth priority is now termed 're-shaping government' and defined as prioritising those actions which will make the greatest contribution towards a more effective and affordable form of government and a more community focused public service.
- 5.30 Meeting the current and future needs of the Island requires a coordinated and focused administration. The States need to work in effective partnership with other jurisdictions, businesses, the third sector and community groups, collect and use revenue wisely, carefully maintain essential Island infrastructure, and organise and deliver public services centred on and accessible to the people who use them.
- 5.31 This priority will accelerate the pace of targeted public service transformation, focusing on the how the public service is organised, the approach to technology, workforce planning and the use of property. Repurposing, digitalising and working differently across all the Islands to minimise the overall cost of public services is critical to the longer-term success of the Bailiwick and will release workforce for

⁶ Supporting Occupational Health & Wellbeing programme: phase 3 will respond to pandemic pressures by building on vocational rehabilitation and occupational health services and achievements of phases 1 and 2.

deployment in critical, under-resourced areas.

- 5.32 In support of public service transformation, the government will need to determine, with support from the community, where the public sector is currently delivering services which could be more effectively and efficiently delivered by commissioned partners. It will also need to improve its approach towards commissioning and ensure it is attractive to potential partners while remaining proportionate.
- 5.33 Changes to the public service will need to be complemented by improvements to the operation of government itself. The COVID-19 pandemic has demonstrated what can be achieved by a responsive, proportionate and transparent administration; the States will need to learn from these lessons to meet future challenges and maximise opportunities whilst maintaining effective representation, collaboration and accountability within its government structure.
- 5.34 The Policy & Resources Committee will work with the States' Assembly & Constitution Committee and States' Members in reviewing the machinery of government. It is not seeking revolution but instead looking to evolve the operation of the legislature and government to work better for Islanders. Whilst any changes proposed by the review would likely be implemented next term, this term will see the delivery of a number of specific improvements to government processes and systems which will complement any wider reform, including changes to Royal Assent processes, the automation of the electoral roll and the introduction of simultaneous electronic voting in debates.
- 5.35 To protect the Island's interests in the long-term, the States will need to take action to ensure their finances, inter-island relationships and infrastructure are sustainable. A review of Guernsey's tax system will identify options to increase revenue collection and reduce the expected pressure on public finances. Any changes to the tax system will be complemented by work to improve the collection and management of money, including the implementation of International Public Sector Accounting Standards, the reform of Seized Asset Fund governance and improvements to the system for collecting income tax and social security contributions.
- 5.36 Some essential infrastructure and systems within the States have suffered from under-investment for several years. Whilst not transformative, action to maintain, repair or replace key infrastructure, such as coastal defences, the bus fleet and electronic patient records, will be unavoidable this term. This is significant not only in cost but in the investment in time by key people within the public sector. Subject matter experts focused on infrastructure cannot, at the same time, be supporting

other policy development initiatives or implementing new legislation.

- 5.37 Priority 4 actions act as enablers for the successful delivery of other actions and the overall outcomes of the Plan, helping to establish a robust and flexible platform for change. Importantly priority 4 also addresses the need to maintain and in some instances implement new measures necessary to monitor the impact of legislative changes and government policy and action. The actions established here will need to be delivered in a co-ordinated fashion to contribute fully and with consideration for the resource and timeline requirements of other workstreams.

6. Annual reconsideration, monitoring and reporting of priority workstreams

- 6.1 The Assembly is ultimately accountable for the Plan and has a duty to ensure that the desired 16 outcomes are achieved. It must regularly monitor and scrutinise progress and make decisions as needed to change how it delivers against its four priorities, such as revising the phasing to deliver the most benefit to the community.

- 6.2 In stage 1 the Policy & Resources Committee was directed to put in place a pragmatic framework for monitoring the Plan with an expectation that each recovery outcome and action would be presented with 'measures, objectives, targets and key performance indicators' to monitor progress. The latter has not been fully achieved in the time available given the number of recovery actions. However, the Policy & Resources Committee, informed by the views of the Sub-Committee, is presenting a monitoring framework approach in Annex 4 that includes:

- Targets and measures for each recovery workstream, where available, aligned to the 16 recovery outcomes;
- Where relevant, the targets and measure have been linked to the United Nations Sustainable Development Goals⁷ (UNSDG) targets and indicators and the OECD Better Life Indices and the Regional Well-Being Index⁸;
- Where there are gaps it identifies potential routes to address these and when it will report to the Assembly that will include capturing any additional resource requirements; and
- An action progress reporting tool to consistently monitor action performance.




- 6.3 This approach will be applied to the other three priorities. It will also enable the States to tailor their reporting as they respond to addressing the priority economic,

⁷ The [UNSDGs](#) are a collection of interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all".

⁸ [OECD Better Life Indicators and Indicators of Poverty](#).

social and environmental challenges facing Islanders. It sets out their priority outcomes within a global context, using internationally recognised monitoring frameworks, noting that the UNSDG framework is an international, aspirational framework for governments to align to, but not be constrained or directed by.

- 6.4 The framework identifies the UNSDG targets that are relevant to the 14 recovery workstreams. It has sought to keep the reporting high-level and where possible, draw from existing data sources. It suggests associated indicators that could be reported by June 2022 where data is currently collected. Where there are gaps that cannot be filled from existing measures, the implications will be scoped and included in the June 2022 update.
- 6.5 Not all of these indicators will change significantly annually, and some will report on previous years' data. Given that some recovery actions are to develop the policy options to be considered by the Assembly and that policy changes can take time to realise their benefits, full impacts of this Plan will not be visible for several years.
- 6.6 It is also proposed that progress is reported annually on each of the recovery actions to enable good governance and informed strategic decision making. The Policy & Resources Committee, supported by the views of the Sub-Committee, are recommending a simple traffic light system against the delivery of milestones as outlined below, for example presenting a Policy Letter to the Assembly and timelines (the specifics of which for many actions are yet to be fully determined):

Progress on track	
Progress off-track but should still be achieved without detriment to the workstream	
Progress not on track	

- 6.7 The traffic light system will enable the governance groups to regularly monitor and scrutinise the performance of each recovery action. This in turn will enable the Assembly to be updated annually and take any necessary decisions on prioritisation, resourcing or funding.
- 6.8 The States' Assembly & Constitution Committee is bringing forward proposals for annual Special Meetings and this annual reporting will be supported by updates from the Policy & Resources Committee through Statements to the Assembly.

- 6.9 The Policy & Resources Committee will build on and enhance the framework and the action progress reporting requirements, working with Committees and the recovery workstream governance groups. To be successful, the monitoring and reporting of the Plan will require the continued support of all Committees of the States.

7. Governance arrangements for priority workstreams

- 7.1 In the spirit of the approach taken to develop the Plan, and the recovery actions in particular, and after consideration of several options, it is recommended to establish cross-committee governance groups for monitoring purposes across the 14 recovery action work streams as discussed with and supported by the Sub-Committee.
- 7.2 The establishment of the governance boards will be co-ordinated by the Policy & Resources Committee, in consultation with the relevant Committees, to ensure the most effective use of resource for delivery of the Plan.
- 7.3 Guiding principles and the proposed constitution of the governance groups are set out in Annex 3.
- 7.4 The existing governance in place for priorities 1 (COVID-19) and 2 (Brexit) are anticipated to remain in 2021/22, and priority 4 (Re-shaping government) is currently under consideration.

8. Funding and investment requirements to deliver the Government Work Plan and capital portfolio

- 8.1 The funding and investment proposals set out in Annex 5 are an integral part of the Plan, setting out the financial planning framework within which the States will operate and resource.
- 8.2 All aspects of income and expenditure have been considered including business as usual, previous policy decisions and service developments, Brexit, COVID-19, recovery actions and capital investment.
- 8.3 The process of building the financial plan has been thorough. It includes everything known at the time of preparation and makes best estimates using informed assumptions. However, it is not a firm plan of what will happen over the period. A section on sensitivity analysis explores the effects changes to key variables may have on the financial projections, helping to highlight the risk associated with some of the assumptions used. This is particularly important given current conditions and the exceptional volatility in public finances seen over the last two years.

- 8.4 Although significantly impacted by COVID-19, Guernsey's current economic position is enviable. However, recent events have demonstrated that, as a small and open economy, we remain exposed to external factors over which we have very limited control. Government finances are extremely susceptible to the ups and downs of the economic environment and the impact of changes in key economic assumptions on the financial projections is also highlighted in the sensitivity section.
- 8.5 COVID-19 and Brexit have presented significant financial challenges in the recent past, but there are other pressures that have a more profound and lasting impact on our finances such as the implementation of NICE TAs in 2021, underlying health service cost pressures and other growing service demands due to an ageing population and increase in chronic illness. These other pressures are providing a real challenge in the short, medium and long term, resulting in very little general revenue surplus to be invested in capital or other activity not covered by current committee⁹ budgets.
- 8.6 Current Reserves are being depleted and are insufficient to fund the Plan while maintaining a basic level of contingency in the General Revenue Reserve to provide some degree of financial security in these uncertain times. In addition, the balance of the Core Investment Reserve, the States of Guernsey's long-term reserve, is currently only 35% of General Revenue Income, the target being 100%. The Island is benefitting from the cautious approach of previous States in building up reserves. However, COVID-19 and the additional expenditure it has necessitated has exposed how quickly these savings can be depleted. Financial prudence would suggest the States seek to address this and increase their reserves.
- 8.7 Finances are now a limiting factor if we continue to work with the cautious approach seen in the past. The 2020 and 2021 financial positions were sustained by removing the allocation to capital investment, but this is not a sustainable approach and funding investment in infrastructure and systems should not be seen as optional. There has previously been an underinvestment in critical national and economic infrastructure, but capital investment now is vital if we want to achieve the ambition set out in the Plan. Investment in the short, medium and long-term future of

⁹ For the purposes of this Report, the term 'Committee' includes the seven Principal Committees (Policy & Resources Committee; Committee *for* Economic Development; Committee *for* Education, Sport & Culture; Committee *for* Employment & Social Security; Committee *for the* Environment & Infrastructure; Committee *for* Health & Social Care; and Committee *for* Home Affairs) plus the following that are also allocated General Revenue Cash Limits: Development & Planning Authority, Overseas Aid & Development Commission, States' Trading Supervisory Board, Scrutiny Management Committee, Corporate Services; Pooled Budgets, Royal Court, Law Officers and States of Alderney.

Islanders and our Islands is essential if the States are to build resilience and foster growth.

- 8.8 Following consideration of the Plan, and any amendments, the States will agree the priorities for this term. The Policy & Resources Committee will ensure that the budgeting framework reflects these priorities and will therefore not be inviting service development proposals from Committees in future Budget rounds.
- 8.9 The Plan has been developed at pace and therefore many of the resourcing requirements and costings for the proposed priority actions are currently high-level estimates. It is recognised that ultimate funding requests may be higher or lower than the figures provided at this stage and that some of the priorities which currently show no funding required might, in due course, need a budget. In reviewing funding requests, the Policy & Resources Committee intends to take a pragmatic but robust approach to ensure that it is properly discharging its responsibility for the approval and control of public expenditure.
- 8.10 With regard to the development of capital schemes, the Policy & Resources Committee wishes to ensure that the States can consider, at an appropriately early stage, the direction which critical schemes need to take. For other projects, such as 'must do' or straightforward schemes, it considers that the best overall result is for them to be implemented as timeously as possible and that a decision by the States, simply to approve funding, is an unnecessary governance requirement which simply slows progress. Therefore, scoping documents agreed between the sponsoring Committee and the Policy & Resources Committee at the commencement of each project will need to set out any requirement for States' decisions which is likely to be dependent on risk, value, public interest and political judgement.
- 8.11 Working with limited financial resources increases the need for strong and flexible financial governance, section 9 of the Funding & Investment Plan includes further details on its governance.
- 8.12 In addition, the Policy & Resources Committee is concerned that the States' commercial position is often compromised by the setting out of project costs in public documents ahead of competitive procurement processes. Therefore, the Policy & Resources Committee wishes to recommend that it be given delegated authority to approve funding for all schemes in the portfolio up to the maximum costed capital portfolio value. The Policy & Resources Committee appreciates that this is a significant additional responsibility which it takes extremely seriously. On balance, it believes that this will deliver better public value and momentum in delivery.

- 8.13 Now is the time to deliberate on a different approach to public finances and consider borrowing money to invest in our Islands' futures. The Policy & Resources Committee is setting out a recommendation that is affordable in the medium term to utilise existing financial assets and borrow a further £200m to invest in infrastructure, improve financial resilience and boost economic recovery and expansion. The Policy & Resources Committee does not make this proposal lightly, but the alternative is simply not in the best interest of our community. The Policy & Resources Committee will seek to borrow only what is actually required to fund capital investment and would look for the most cost effective and low risk debt option to deliver on the ambition of the States and ensure financial security over the medium term.
- 8.14 This is a set of proposals for the five-year medium-term horizon of this Plan, but the Policy & Resources Committee is acutely aware that the approach set out is not sustainable in the long term.
- 8.15 The proposal to borrow, in addition to the usual utilisation of reserves to support the capital requirements over the current term, is intended to enable the immediate progression of the States' priorities. However, this is only a temporary solution and a way of managing and not removing the underlying structural deficit.
- 8.16 Without further action, beyond 2025 the States will again have to consider how best to support their spending requirements in the face of the same pressure to provide for the increased demand for existing services and maintain an appropriate level of capital investment. Reserves will have been depleted with only very limited surpluses being generated to top them up. A longer-term solution is required, and the provision of that solution will span the consideration of expenditure (covered within the States' priority 4 – reshaping government), economic growth (included within the recovery actions of priority 3) and raising additional revenues (with proposals from the Tax Review due to be considered by the States in September). All three elements will be required to achieve a sustainable solution within the principles of the States' Fiscal Policy Framework.

9. Resourcing implications

- 9.1 It is without doubt from the high-level review undertaken by the Policy & Resources Committee working with Committees' officers that there is not the capacity within the public sector to deliver all the actions within the four priorities of government. There is some capacity within the funding proposals for some additional roles but in the main it is the current workforce that will be relied upon to achieve this Assembly's Plan.

- 9.2 It is therefore imperative that the workforce is deployed against the priorities established by the Assembly and it is for this reason that in phasing actions, the Policy & Resources Committee has established the top ten actions for the first six months from within those identified for 2021/2022.
- 9.3 The Policy & Resources Committee cannot overstate the resource implications in managing the response to COVID-19 and the impact of Brexit at the same time as the workstreams within the other two priorities. Often the response requires input from the same group of politicians and public servants. Therefore, the Policy & Resources Committee repeats that the approach to determining, phasing and resourcing priorities must change, with a greater degree of collegiate working from the outset. This does not mean the loss of public or political debate but rather ensuring all views and evidence is available for an informed debate. This will be assisted by the work the Policy & Resources Committee has started in support of the proposals to amend Rule 4.

10. Other considerations – Extant Resolutions, legislative drafting and Rule 4

Extant Resolutions

- 10.1 In March 2021, the Assembly rescinded 135 extant Resolutions and identified 19 pieces of legislative drafting that were no longer required. The remaining 405 extant Resolutions (as at 8th June 2021) have been considered as part of the development of stage 2 of the Plan. A very considerable number (over 100) are likely to be discharged through the delivery of the actions in the Plan, however a small number need to be addressed now and are set out in Annex 6:
- a further 7 extant Resolutions are recommended for rescission; and
 - 5 Resolutions are recommended to be rescinded and replaced where the Plan proposals impact previous decisions.

Legislative drafting

- 10.2 In line with the Policy & Resources Committee's mandated responsibilities to coordinate the prioritisation of legislation, it presents to the Assembly in Annex 7 the 51 pieces of legislation (as at 8th June 2021), prioritised for drafting by alignment with the Plan's priorities. The Schedule will be updated to reflect any decisions that the Assembly makes regarding its priorities and is reviewed quarterly by the Policy & Resources Committee in consultation with Committees in order to remain responsive to current context. Those items listed as 'Low' or 'Not yet Prioritised' can sometimes progress before prioritisation if there is drafting capacity, for example, if

other priority items are awaiting further instruction. This is viewed as being the best approach for the most effective use of specialist drafting resources.

Amendment to Rule 4 - Rules of Procedure for the States of Deliberation and their Committees

- 10.3 The States, in their stage 1 debate, directed¹⁰ the Policy & Resources Committee and the States' Assembly & Constitution Committee (together, the "Committees") to bring, for consideration as part of stage 2, revisions to Rule 4 of the Rules of Procedure of the States of Deliberation and their Committees.
- 10.4 Rule 4 concerns information to be included in motions laid before the States.
- 10.5 The Committees developed jointly, and agreed to present to the States for consideration, the revised version of Rule 4 set out in Annex 8.
- 10.6 The Committees sought to align Rule 4 more closely to the six Core Principles of Good Governance adopted by the States¹¹ in March 2011. These include the principles that good governance means "taking informed, transparent decisions and managing risk" and "engaging stakeholders and making accountability real".
- 10.7 Under Rule 4 today, Committees must provide information about how their Original Propositions contribute to the States' objectives and policy plans, and what joint working or consultation with other Committees took place in the preparation of those proposals. The current Rule 4, however, does not provide for equivalent scrutiny of other types of motion presented to the States.
- 10.8 The Committees' revisions to Rule 4 provide for greater consistency in the information accompanying Propositions, regardless of whether these originated from Committees, Requirants or proposers of Secondary Propositions.
- 10.9 The key change for Requirants and proposers of Secondary Propositions is that the Rule will require that their proposals be accompanied by a statement setting out:
 - a) whether the Proposition contributes to the States' objectives and policy plans and, where it is asserted that it so does, how; and
 - b) what joint working or consultation (if any) has taken place with other Committees or relevant stakeholders in the preparation of the Propositions.

¹⁰ [Resolution 9 of Article I of Billet d'État VI of 2021.](#)

¹¹ [Resolution 1 of Article VI of Billet d'État IV of 2011.](#)

- 10.10 If no consultation has taken place, this should be made clear in the statement.
- 10.11 The revised Rule 4 supports a more transparent and collaborative approach by facilitating, in the preparation of proposals, dialogue between proposers, Committees, and other stakeholders, about potential implications and deliverability. The outcome should be that States' Members and the public have greater assurance that proposals brought to the Assembly, if approved, would be deliverable.
- 10.12 The revisions to Rule 4 should also better enable States' Members and the public to assess whether, and how, proposals brought before the Assembly contribute towards the fulfilment of the States' agreed objectives and policies.
- 10.13 Rule 4 does not define the "objectives and policy plans" of the States, but it is reasonable to interpret this part of Rule 4 as referring to Resolutions extant that set out the position of the States on certain subjects. These include, but are not limited to, Resolutions made under the auspices of the Government Work Plan, but may also include other Resolutions extant constituting the policies or ongoing principles of the States, such as the examples below (paraphrased for ease of reference):
- To adopt the six Core Principles of Good Governance (2011)¹²;
 - To obligate Committees to take practical steps to protect and enhance biodiversity (2015)¹³; and
 - That all policy decisions of the States should include consideration of the impact of those decisions on health and wellbeing (2017)¹⁴.
- 10.14 The Policy & Resources Committee has directed the development of materials to assist States' Members and Committees to interpret the relevant parts of the revised Rule 4 which rest under its mandate. These materials would not form part of the Rules of Procedure of the States of Deliberation and their Committees but would be 'living documents', updated by the Policy & Resources Committee, from time-to-time, to account for the evolution of policies and processes.
- 10.15 The Committees have not sought to stymie the development of new proposals. In the interests of good governance, however, the States should be informed if they are being asked to approve a Proposition that contributes, or does not contribute, to their agreed objectives or policies or which is neutral in terms of contribution. That process will also assist in establishing whether it may be appropriate for the States to be requested to rescind or modify their extant policy position (i.e.

¹² [Resolution 1 of Article VI of Billet d'État IV of 2011.](#)

¹³ [Resolution 5 of Article XI of Billet d'État XX of 2015.](#)

¹⁴ [Resolution 11A of Article I of Billet d'État XII of 2017.](#)

Resolution) before adopting a new or amended one in its place.

- 10.16 The Committees have sought to ensure the revised Rule 4 is proportionate and pragmatic and have set out in the revised Rule the circumstances in which the requirement to provide an explanatory statement would not apply.

11 Compliance with Rule 4

- 11.1 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.
- 11.2 In accordance with Rule 4(1), the Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.
- 11.3 **In accordance with Rule 4(3), the full financial implications, as known, for all the actions within the Propositions have been set out in the Funding & Investment Plan at Annex X.**
- 11.4 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 Policy & Resources Committee.
- 11.5 In accordance with Rule 4(5), the Policy & Resources Committee is discharging its obligations under its mandate, Rule 23 of the Rules of Procedure, and Resolutions made by the Assembly at its Special Meeting on 26th March, 2021¹⁵.

Yours faithfully

PTR Ferbrache
President

HJR Soulsby MBE
Vice-President

J P Le Tocq
MAJ Helyar
DJ Mahoney

¹⁵ [Billet d'État VI of 2021.](#)

ANNEX 1: PHASED ACTION LIST

Annex 1 presents the full action list for the Government Work Plan. It is divided into the four Government Work Plan priorities;

1. [Responding to the COVID-19 pandemic – link to page](#)
2. [Managing the effects of Brexit; including international standards and identity and safe and secure borders – link to page](#)
3. [Delivering recovery actions – link to page](#)
4. [Re-shaping the government – link to page](#)

Action descriptions are also included at the end of the annex.

Actions are presented by area of focus and workstream and are shown according to phase (actions are categorised by the phase in which they are expected to **begin**, not the phases over which they are expected to be active). The layout of the action list, and the colour coding used is illustrated below. Pleased note that action timelines within the list are approximate and are subject to change as further action scoping takes place. The phasing is intended to help illustrate how work will be distributed over the term in order to make best use of States' resources, further work is required to confirm timelines for some actions (where actions are shown as covering the full term, this may reflect that the timeline is still to be determined).

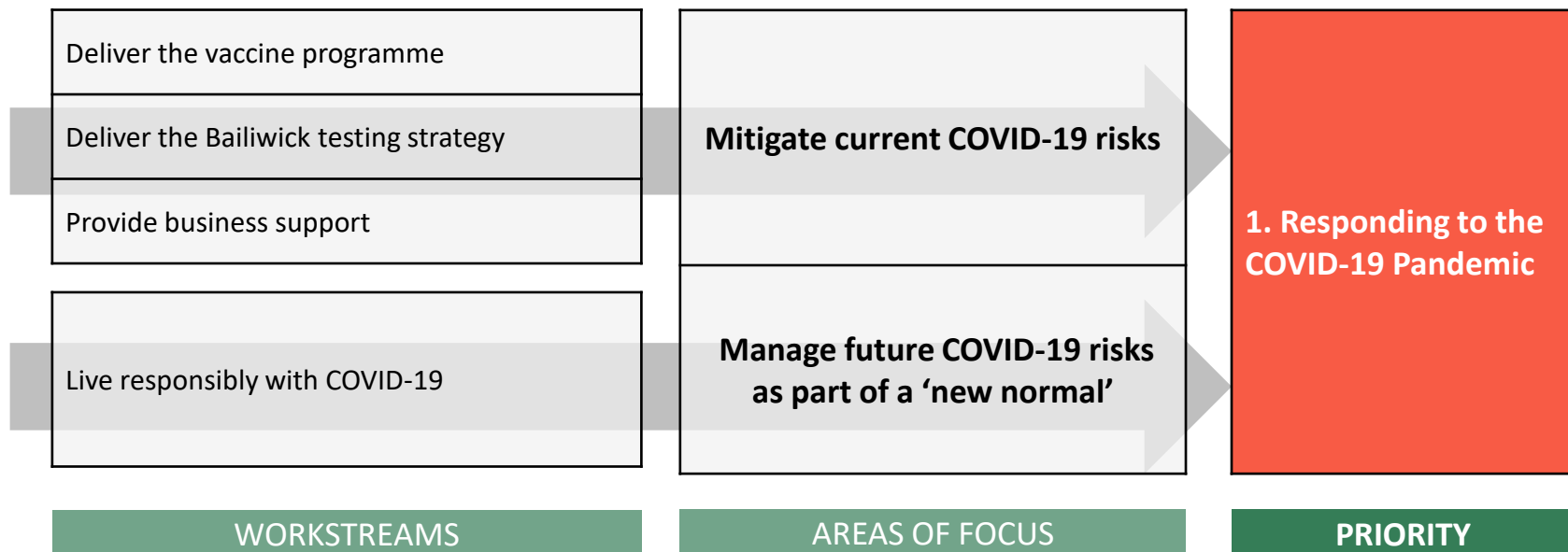
Next 18 months		Remaining Term			Held in abeyance
<i>Actions shown in this period are high priority or have already made significant progress.</i>		<i>Actions starting in this period are due to be progressed this term, however are not an immediate priority.</i>			<i>Actions in this period are not expected to be taken forward this term.</i>
2021	2022	2023	2024	2025	2026
A green border signifies that the action is included in the top ten actions					
A blue action signifies that the action, or part of the action, is included on the legislative drafting schedule (Annex 7). Other actions are also likely to require legislation, however an agreed resolution to deliver the legislation is not yet in place.					
A yellow action signifies that the action has capital funding implications	A grey box with a dash border indicates a follow on action. This action may take place once a decision or milestone has been reached in the preceding action.				

WORKSTREAM – Related actions have been grouped into **workstreams** to illustrate dependencies and possible synergies.

AREA OF FOCUS – the areas of focus break down the four priorities into key strategic areas.

PRIORITY 1 – RESPONDING TO THE COVID-19 PANDEMIC

WORKSTREAM SUMMARY



Next 18 months		Remaining Term			Held in abeyance	PRIORITY 1	AREA OF FOCUS: MITIGATE CURRENT COVID-19 RISKS
2021	2022	2023	2024	2025	2026	DELIVER THE VACCINE PROGRAMME	
Deliver Vaccine Programme Phase 1 and 2							
Deliver Vaccine Programme Phase 3 - Further rollout of vaccination programme as directed by the Joint Committee on Vaccination and Immunisation (JCVI) including booster vaccine rollout							
2021	2022	2023	2024	2025	2026	DELIVER THE BAILIWICK TESTING STRATEGY	
Continue symptomatic testing	Integrate into routine pathology testing practices						
Maintain the clinical helpline	Integrate/align clinical helpline need with primary care review						
Maintain surge and surveillance testing capabilities	Maintain scale-up capacity for mass testing if required						
Develop on-island sequencing capacity to detect Variants of Concern	Implement sequencing to detect Variants of Concern into business-as-usual practices						
Maintain contract tracing capacity	Maintain scale-up capacity for contact tracing if required						
Maintain testing arrangements for arriving travellers at the airport and harbour							
Provide on-island private pre-travel testing for travellers leaving Guernsey	Integrate into business-as-usual practices						
Investigate wastewater testing capability	Implement wastewater testing and embed into business-as-usual practices						
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Next 18 months		Remaining Term			Held in abeyance	PRIORITY 1	
2021	2022	2023	2024	2025	2026	PROVIDE BUSINESS SUPPORT	MITIGATE CURRENT COVID-19 RISKS
Provide business support as needed		Integrate necessary business support into business-as-usual practices					
2021	2022	2023	2024	2025	2026	LIVE RESPONSIBLY WITH COVID-19	AREA OF FOCUS: MANAGE FUTURE COVID-19 RISKS AS PART OF A 'NEW NORMAL'
Manage border restrictions	Integrate necessary border restrictions into business-as-usual practices						
Continue, evaluate and appraise the need for non-pharmaceutical interventions	Integrate into general Public Health guidance						
Introduce COVID-19 status certification scheme for travellers	Integrate COVID status certification scheme as a part of business-as-usual practice						
Prepare and implement legislation necessary to continue to manage COVID-19	Manage COVID-19 legislation as part of business-as-usual						

PRIORITY 2 – MANAGING THE EFFECTS OF BREXIT; MEET INTERNATIONAL STANDARDS

WORKSTREAM SUMMARY

<div>Enhance the Bailiwick’s constitutional resilience</div> <div>Ensure compliance with agreed international agreements/standards</div> <div>Seek opportunities for new beneficial arrangements</div> <div>Ensure customs agreement compliance</div>	<div>International Agreements and Conventions</div>	<div>2. Managing the effects of Brexit; meet international standards</div>	
<div>Respond to and assist in shaping international tax standards</div> <div>Continue to meet economic substance requirements</div> <div>Meet the political commitments made to the EU in respect of assistance in collection of certain taxes</div> <div>Ensure ongoing alignment with the UK-EU Trade and Cooperation agreement (TCA)</div> <div>Implement Common Reporting Standards (CRS)/CRS v2</div>	<div>Substance, Taxation and Reporting</div>		
<div>Implement required operational border infrastructure</div> <div>Implement required customs and excise structure</div> <div>Ensure capacity and project support for border-related requirements</div> <div>GEMS development to achieve compliance with UK-EU Trade and Cooperation Agreement and new Free Trade Agreements (FTAs)</div> <div>Implement required immigration and nationality service structure</div>	<div>Borders</div>		
<div>Maintain trade in goods</div> <div>Maintain trade in services</div> <div>Maintain intellectual property protections</div> <div>Ensure compliance at the border with Trade and Cooperation Agreement (TCA) legislation</div>	<div>Trade Arrangements</div>		
<div>WORKSTREAMS</div> <div>40</div>			<div>AREAS OF FOCUS</div>
			<div>PRIORITY</div>

Next 18 months		Remaining Term			Held in abeyance
2021	2022	2023	2024	2025	2026
Assert Guernsey's constitutional position					
Continue development of Guernsey's international identity					
2021	2022	2023	2024	2025	2026
Facilitate ongoing compliance with UK-EU TCA and other FTAs					
Review terrorism legislation – including potential introduction of legislation in line with UK Counter Terrorism Act 2008					
Maintain compliance with international standards on financial crime and regulation and prepare for international evaluations including: <ul style="list-style-type: none"> • Prepare for MONEYVAL 2023 • Ongoing preparation for other periodic evaluations • Legislative changes and associated legal aspects of evaluations • Implement required Law Enforcement structure and upgrade systems 					
Respond to emerging cyber-security requirements					
Develop and deliver Periodic Testing Inspections for road transport					
Develop a register of driving instructors					
Ensure ongoing compliance with treaties is maintained and developed where necessary					

PRIORITY 2

ENHANCE THE BAILIWICK'S CONSTITUTIONAL RESILIENCE

ENSURE COMPLIANCE WITH AGREED INTERNATIONAL AGREEMENTS/ STANDARDS

AREA OF FOCUS: INTERNATIONAL AGREEMENTS AND CONVENTIONS

Next 18 months		Remaining Term			Held in abeyance
2021	2022	2023	2024	2025	2026
Explore opportunities for Bailiwick participation in UK-Rest of World Free Trade Agreements (FTAs)					
Secure extension of the Paris Agreement on climate change	<div> <div></div> <div>Implementation of the Paris Agreement and ongoing compliance</div> </div>				
Seek opportunities for participation in other relevant international agreements					
Consider and review wider implications of potential future Free Trade Agreements (FTAs) (including customs matters)					

2021	2022	2023	2024	2025	2026
Achieve and maintain compliance with relevant customs and immigration International agreements and conventions: <ul style="list-style-type: none"> Implementation of simplified procedures – for entry and defence records, duty deferment, simplified frontier declaration and aggregated decisions Compliance with World Customs Organisation requirements Review of primary customs legislation to meet obligations of Customs Arrangement 					
Fulfil the obligations required by the UK/Bailiwick Customs Arrangement: <ul style="list-style-type: none"> Implementation of Safety and Security Declarations – requiring Memorandum of Understanding with HMRC, operational guidance, regulations for Entry Summary Declaration (ENS) system submission and Safety and Security profiles Manifesting of goods – new directions in the Customs Law, to be published and operationalised Control of Detained Goods – designation of sites, mechanism for movement of detained goods Customs Special Procedures – legislation, process, operational guidance 					

PRIORITY 2	
SEEK OPPORTUNITIES FOR NEW BENEFICIAL ARRANGEMENTS	AREA OF FOCUS: INTERNATIONAL AGREEMENTS AND CONVENTIONS
ENSURE CUSTOMS AGREEMENT COMPLIANCE	

Next 18 months		Remaining Term			Held in abeyance		PRIORITY 2	
2021	2022	2023	2024	2025	2026	RESPOND TO AND ASSIST IN SHAPING INTERNATIONAL TAX STANDARDS	AREA OF FOCUS: SUBSTANCE, TAXATION AND REPORTING	
Seek political commitment to meet OECD Pillars 1 and 2	Implement the requirements of OECD Pillars 1 and 2							
Respond to the EU Code of Conduct Group								
Amend Income Tax Legislation as required								
2021	2022	2023	2024	2025	2026	CONTINUE TO MEET ECONOMIC SUBSTANCE REQUIREMENTS		
Continue to meet economic substance requirements, including preparations for relevant evaluations and periodic reviews by OECD etc.								
2021	2022	2023	2024	2025	2026	MEET POLITICAL COMMITMENTS IN ASSISTANCE IN COLLECTION OF CERTAIN INDIRECT TAXES		
Negotiate VAT Protocol with EU	Implement the VAT Protocol							
2021	2022	2023	2024	2025	2026	ENSURE ONGOING ALIGNMENT WITH THE TCA		
Take measures to ensure that Guernsey taxation aligns to, and continues to align with, the EU-UK Trade and Cooperation Agreement (TCA)								
2021	2022	2023	2024	2025	2026	IMPLEMENT COMMON REPORTING STANDARDS/ CRS v2		
Comply with Common Reporting Standards (CRS)	Implement new Common Reporting System (CRS) requirements as they arise							
Prepare for OECD Global Forum on Transparency and Exchange of Information for Tax Purposes								

Next 18 months		Remaining Term			Held in abeyance		PRIORITY 2	
2021	2022	2023	2024	2025	2026	IMPLEMENT REQUIRED OPERATIONAL BORDER INFRASTRUCTURE	AREA OF FOCUS: BORDERS	
Make changes to both infrastructure and operational arrangements at the ports: <ul style="list-style-type: none">• Install customs red point (2021)• Change DBHQ clearance (2021)• Upgrade New Jetty facilities to accommodate additional staff (2022)								
Implement changes at Alderney Harbour depending on necessary Sanitary and Phytosanitary Standards measures								
2021	2022	2023	2024	2025	2026	IMPLEMENT REQUIRED CUSTOMS AND EXCISE SERVICE STRUCTURE		
Identify, implement and maintain an appropriate Customs and Excise service structure that enables the delivery of the post-Brexit business-as-usual functions								
2021	2022	2023	2024	2025	2026	ENSURE CAPACITY AND PROJECT SUPPORT FOR BORDERS- RELATED REQUIREMENTS		
Upskill and backfill staff to deliver business-as-usual functions post-Brexit								
Provide appropriate resource to support the GBA to deliver mandatory Brexit workstreams								

Next 18 months		Remaining Term			Held in abeyance		PRIORITY 2	
2021	2022	2023	2024	2025	2026	<div>GEMS DEVELOPMENT TO ACHIEVE COMPLIANCE WITH UK-EU TCA AND NEW FTAS</div>	<div>AREA OF FOCUS: BORDERS</div>	
Develop, test and implement system changes to the GEMS to support the new post-Brexit operating environment, achieve compliance with UK-EU TCA, Customs Arrangement and new Free Trade Agreements (FTAs)	Implement further developments to respond to variations in the Customs Arrangement and future Free Trade Agreements							
2021	2022	2023	2024	2025	2026	<div>IMPLEMENT REQUIRED IMMIGRATION AND NATIONALITY SERVICE STRUCTURE</div>	<div>AREA OF FOCUS: BORDERS</div>	
Identify, implement and maintain an appropriate Immigration and Nationality service structure that enables the delivery of the post-Brexit business-as-usual functions								
Integrate systems between Immigration and Population Management for work permit applications								
Develop GINIS system to interface with UK ATLAS system (the respective immigration case-working systems)								
			45					

Next 18 months		Remaining Term			Held in abeyance
2021	2022	2023	2024	2025	2026
Develop market surveillance capability					
	Contribute to UK Fisheries Management Centre and Export Service				
Identify and implement solution for French fishing vessel licensing and monitoring					
Extend the UK's contracting party status with North East Atlantic Fisheries Commission to the Bailiwick	<div>Follow on actions to implement and continue to meet international requirements</div>				
Deliver necessary measures to ensure Sanitary and Phytosanitary Standards requirements are met, including: <ul style="list-style-type: none">• Ongoing consultancy with Tautenay• Computer database upgrade/replacement• Explore Memorandum of Understanding with Jersey for Plant Health service					
Conduct further exploratory work to identify any actions (additional to the action above) needed to support plant and animal health/Sanitary and Phytosanitary Standards (SPS)					
Enhance and implement changes to the SPS border control model as necessary for the import and export of certain products, including animals/animal products and plants/plant products					
Consider additional Plant Health, Control of Plants and Plant Pests Legislation					
Ensure alignment with UK regulatory controls on genetically modified crops					

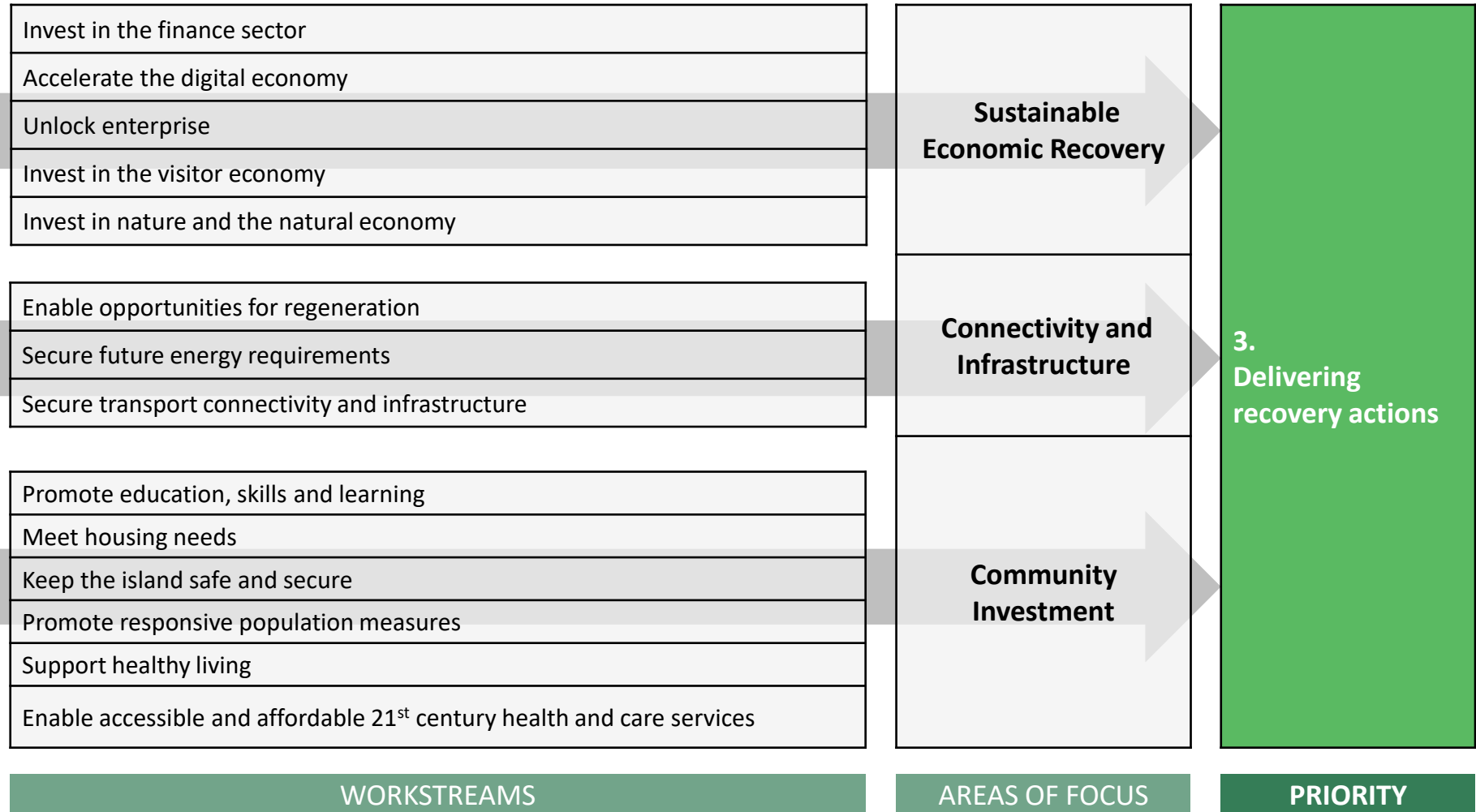
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PRIORITY 2	
MAINTAIN TRADE IN GOODS	AREA OF FOCUS: TRADE ARRANGEMENTS

Next 18 months		Remaining Term			Held in abeyance		PRIORITY 2	
2021	2022	2023	2024	2025	2026	MAINTAIN TRADE IN SERVICES	AREA OF FOCUS: TRADE ARRANGEMENTS	
Prepare Limited Liability Companies Legislation	Implement legislation							
Develop necessary Competition Legislation	Implement legislation							
Carry out exploratory work to identify actions needed to maintain trade in services								
2021	2022	2023	2024	2025	2026	MAINTAIN INTELLECTUAL PROPERTY PROTECTIONS	AREA OF FOCUS: TRADE ARRANGEMENTS	
Carry out exploratory work to identify actions needed to maintain intellectual property protections	Deliver the agreed actions							
2021	2022	2023	2024	2025	2026	ENSURE COMPLIANCE AT THE BORDER WITH TCA LEGISLATION	AREA OF FOCUS: TRADE ARRANGEMENTS	
Ongoing communication between States Committees to ensure that all legislation which relies on border controls is enforced								

PRIORITY 3 – DELIVERING RECOVERY ACTIONS

WORKSTREAM SUMMARY



Next 18 months		Remaining Term			Held in abeyance	PRIORITY 3	
2021	2022	2023	2024	2025	2026	INVEST IN THE FINANCE SECTOR	AREA OF FOCUS: SUSTAINABLE ECONOMIC RECOVERY
		Invest additional funding into promoting Guernsey's finance sector (inc. internal KPI monitoring to ensure value for money)					
2021	2022	2023	2024	2025	2026	ACCELERATE THE DIGITAL ECONOMY	AREA OF FOCUS: SUSTAINABLE ECONOMIC RECOVERY
Digital Framework - Invest in and develop the local digital economy							
	Continued support for digital skills and pathways					ACCELERATE THE DIGITAL ECONOMY	AREA OF FOCUS: SUSTAINABLE ECONOMIC RECOVERY
	Promote and support innovation, transformation and entrepreneurial growth in the digital sector (scale-ups)						
	Establish regulation and legislation to enable the digital sector						
Establish Future Telecoms strategy	Implement updated telecoms strategy (likely including broadband network and 5G licensing)						
	Implement a universal fibre broadband network						
		Establish a 5G licensing framework					
ENABLING INFRASTRUCTURE							

Next 18 months		Remaining Term			Held in abeyance
2021	2022	2023	2024	2025	2026
Scope actions necessary to support local entrepreneurship and diversification post-COVID-19	<div> <div>Implement actions necessary to support and drive local entrepreneurship. Actions are likely to include those laid out below;</div> <div>▼</div> </div>				
	Scope the options for Guernsey enterprise zones	If agreed, implement appropriate enterprise zones			
	Scope the options for Enterprise Investment Schemes	If agreed, implement appropriate investment schemes			
	Introduce investor/ entrepreneur visas				
	Conduct a second red tape review	If agreed, implement review recommendations			
Enable general and commercial aviation and enhance the Guernsey Aircraft Registry					
Support emerging economic opportunities					
Update the Limited Partnerships Law			50		

PRIORITY 3

UNLOCK
ENTERPRISE

AREA OF FOCUS: SUSTAINABLE ECONOMIC RECOVERY

Next 18 months		Remaining Term			Held in abeyance	
2021	2022	2023	2024	2025	2026	
Establish a tourism plan and campaign						
	Prepare and invest in tourism product and accommodation – including; <ul style="list-style-type: none"> • Arts, culture, heritage and sports events • Guernsey's unique Heritage • Health Tourism • Guernsey's Arts and Culture – e.g. Renoir 2023, Victor Hugo, Year of Culture event • Events that put Guernsey on the map and attract visitors – sporting events, arts and culture events • Eco-tourism • Modernisation of the accommodation sector. 					

PRIORITY 3

**INVEST IN
THE VISITOR
ECONOMY**

**AREA OF FOCUS: SUSTAINABLE
ECONOMIC RECOVERY**

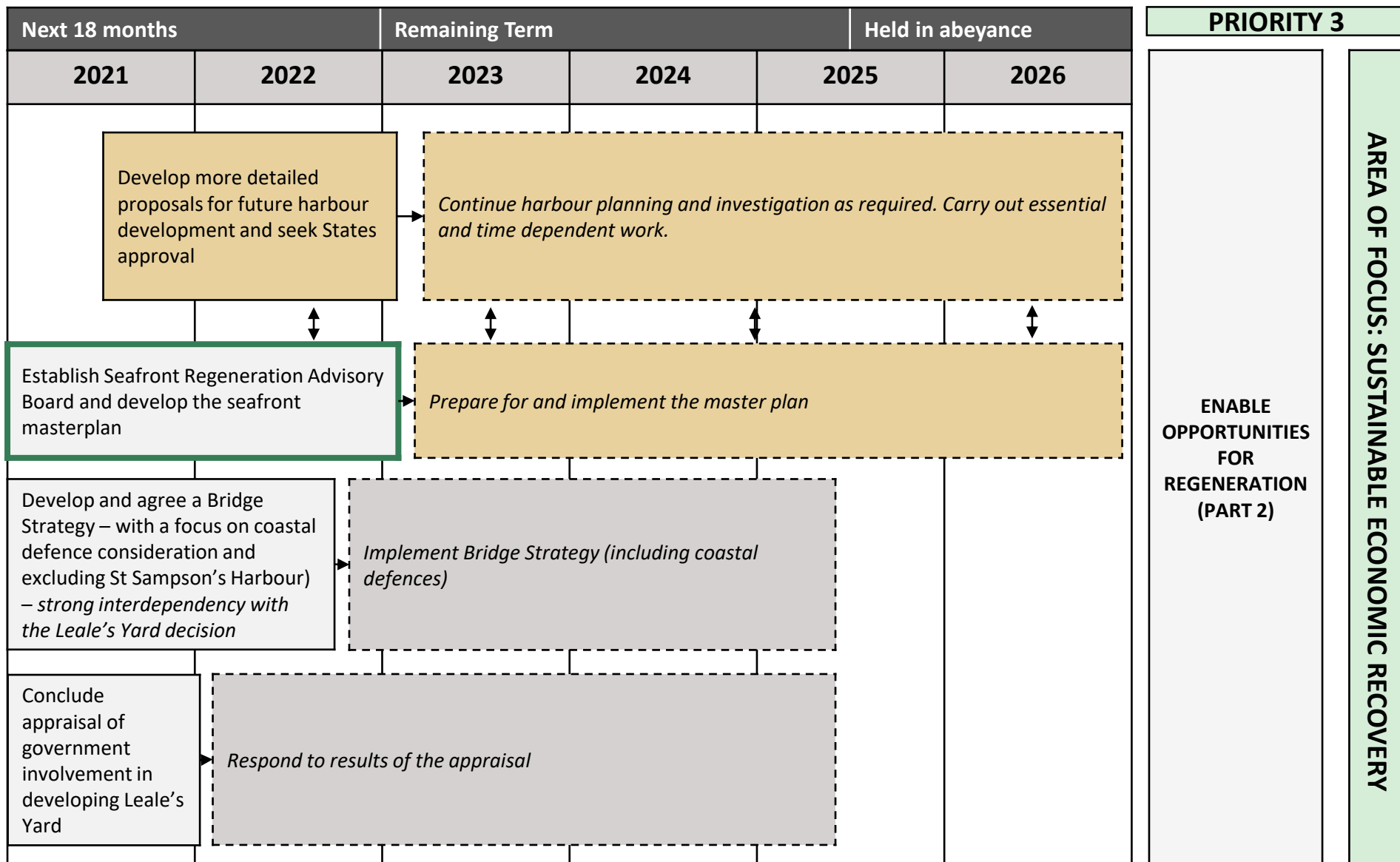
Next 18 months		Remaining Term			Held in abeyance
2021	2022	2023	2024	2025	2026
Update the Environmental Pollution Law					
Prepare and implement updated animal welfare legislation					
BLUE ECONOMY	Carry out marine habitat mapping & deliver a natural capital pilot	Develop a marine Natural Capital database and atlas			
		Conduct a marine biodiversity net gain pilot	Fully develop marine biodiversity net gain		
			Develop a blue economy supporting plan		
			Develop a marine biosecurity plan		
GREEN ECONOMY			Carry out mapping and a natural capital pilot study	Complete natural capital account and atlas	
			Carry out a biodiversity net gain feasibility study	Develop and transition to biodiversity net gain	
					Develop a green economy supporting plan

PRIORITY 3

INVEST IN
NATURE AND
THE NATURAL
ECONOMY

AREA OF FOCUS: SUSTAINABLE ECONOMIC RECOVERY

Next 18 months		Remaining Term			Held in abeyance		PRIORITY 3	
2021	2022	2023	2024	2025	2026		ENABLE OPPORTUNITIES FOR REGENERATION (PART 1)	AREA OF FOCUS: SUSTAINABLE ECONOMIC RECOVERY
Complete development frameworks for all Regeneration Areas								
	Interconnected decisions							
Determine the future aggregate supply policy	→ Implement agreed aggregate supply solution							
Determine the future strategic use of Les Vardes								
Conclude decision making on the future inert waste facility (including EIA)	→ SEE PRIORITY 4 – deliver the future inert waste facility							



Next 18 months		Remaining Term			Held in abeyance
2021	2022	2023	2024	2025	2026
Agree cost reflective tariff for electricity					
Update Electricity Strategy	Implement updated strategy				
Explore grid options, complete the interconnector business case, and seek States' decision	Dependent on decision, plan and deliver the interconnector/grid changes				
	Develop a licensing framework to support on-Island renewable energy				
				Review licensing framework and regulation of utilities	

PRIORITY 3

SECURE FUTURE ENERGY REQUIREMENTS

AREA OF FOCUS: CONNECTIVITY AND INFRASTRUCTURE

Next 18 months		Remaining Term			Held in abeyance	
2021	2022	2023	2024	2025	2026	
Determine air and sea links policy						<div>PRIORITY 3</div> <div> <div>AREA OF FOCUS: CONNECTIVITY AND INFRASTRUCTURE</div> <div> <div>SECURE TRANSPORT CONNECTIVITY AND INFRASTRUCTURE</div> </div> </div>
	Support air route connectivity					
	Upgrade the airport baggage handling system – Stage 1 and 2					
Conclude Guernsey Airport runway extension decision	Respond to decision					
Create a proportionate licensing regime for Roll On/Roll Off ferry services						
				Finalise remaining On-Island Integrated Transport legislation amendments		
				Provide for parking permits for residential on-street parking		

Next 18 months		Remaining Term			Held in abeyance
2021	2022	2023	2024	2025	2026
Conclude the reorganisation of secondary and post-16 education	Follow on actions – implement policy decisions as agreed by the States.				
	Implement recommendations of the nasen Report on SEND provision				
		Replace the Education Law - Projet	Replace the Education Law -Ordinances	Implement the Education Law	
Identify actions needed to successfully grow knowledge and skills to reach potential and build resilience (including immediate action delivery where possible)	Implement human capital plan actions				
Strategic investment in continuous education improvement (including inspection response requirements)					
Plan and deliver digital transformation for schools					
		Plan and deliver the Guernsey Institute			
			57	Review the delivery of primary education	

PRIORITY 3

**PROMOTE
EDUCATION,
SKILLS AND
LEARNING**

AREA OF FOCUS: COMMUNITY INVESTMENT

Next 18 months		Remaining Term			Held in abeyance	PRIORITY 3	
2021	2022	2023	2024	2025	2026	MEET HOUSING NEEDS (PART 1)	AREA OF FOCUS: COMMUNITY INVESTMENT
Establish the Housing Action Group and scope and deliver urgent measures necessary to relieve pressures in the current housing market							
Introduce a General Housing Law							
Conclude the Housing provision strategic review and the GHA and housing operational review and reach States agreement	Implementation of the agreed review recommendations						
Develop and seek States approval of the States Strategic Housing Indicator	Respond to housing indicator requirements, including consideration of Housing Target Areas, States property utilisation and use of Leale's Yard.						
		Explore long-term housing market intervention options					

Next 18 months		Remaining Term			Held in abeyance		PRIORITY 3	
2021	2022	2023	2024	2025	2026	MEET HOUSING NEEDS (PART 2)	AREA OF FOCUS: COMMUNITY INVESTMENT	
		Assess the future use of States-owned affordable housing units	Carry out developments to States owned affordable housing					
		Review availability, provision and funding of accommodation for elderly people in Guernsey	Implement review recommendations					
		Review housing provision for key workers	Implement review recommendations					
		Review the provision of emergency accommodation in Guernsey	Implement review recommendations					

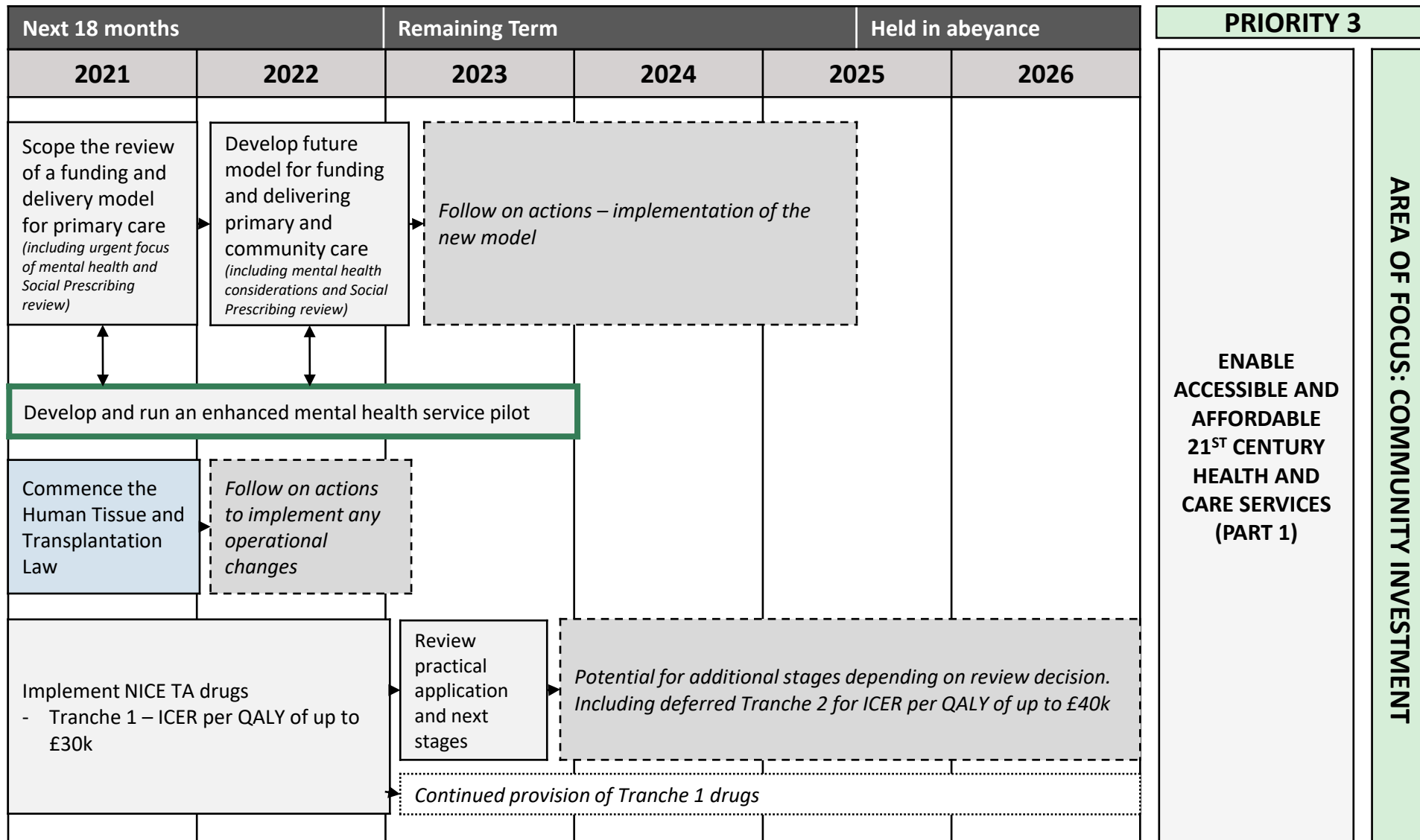
Next 18 months		Remaining Term			Held in abeyance	PRIORITY 3
2021	2022	2023	2024	2025	2026	KEEP THE ISLAND SAFE AND SECURE (PART 1)
Develop framework, building on the criminal justice strategy to respond to social justice needs		Deliver priority justice policy actions identified in framework				
Enhance domestic abuse services in line with the updated domestic abuse strategy (including a Sexual Assault Referral Centre (SARC) three year pilot)						
Update parole legislation						
Update sexual offences legislation – secondary legislation						
Explore options for alternative and non-punitive approaches to the possession and use of small quantities of illegal drugs		Implement changes as agreed				
	Amend the vetting and barring scheme					
		Update RIPL (Regulation of Investigatory Powers) legislation				
		Update PPACE (Police and Criminal Evidence) legislation				
			Sentencing policy update			
JUSTICE FRAMEWORK ACTIONS						

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AREA OF FOCUS: COMMUNITY INVESTMENT

Next 18 months		Remaining Term			Held in abeyance	PRIORITY 3
2021	2022	2023	2024	2025	2026	<div>KEEP THE ISLAND SAFE AND SECURE (PART 2)</div> <div>AREA OF FOCUS: COMMUNITY INVESTMENT</div>
Reform the Adoption Law – primary legislation	Follow on actions to develop policy proposals and secondary legislation to give practical effect to the Law					
Conclude and implement the Matrimonial Causes Law Reforms including the amendments to the Domestic Proceedings Law		Implement changes				
Implement the Capacity Law						
Review Children Law and Outcomes	Implement recommendations of the Review as agreed by the States					
Prepare a new Credit and Finance Law						
Introduce the Discrimination Ordinance – Phase 1						
		Introduce the Discrimination Ordinance - Phase 2 (A) – Age and Sex Grounds. Preparation for Phase 2 will need to commence ahead of the end of Phase 1.		Introduce the Discrimination Ordinance Phase 2 (B) – Equal Pay for Work of Equal Value		
		Introduce effective and proportionate regulation for health and care				
		Implement a requirement to pass a theory test prior to driving on the road as a provisional licence holder				
			61			

Next 18 months		Remaining Term			Held in abeyance		PRIORITY 3	
2021	2022	2023	2024	2025	2026		ENABLE RESPONSIVE POPULATION MEASURES	AREA OF FOCUS: COMMUNITY INVESTMENT
Assess impact and recommend actions to amend population and immigration policies	Follow on actions to implement the Review recommendations as agreed by the States							
2021	2022	2023	2024	2025	2026		SUPPORT HEALTHY LIVING	AREA OF FOCUS: COMMUNITY INVESTMENT
Scope and deliver improvements to occupational health and wellbeing services post-COVID-19								
Implement a system to reduce backlogs and waiting times in health and care services								
Plan and agree the structure and location of a Community Hub (including consideration of children and family services and a wellbeing centre)	Design and deliver a Community Hub (including consideration of children and family services and a wellbeing centre)							
Conclude Footes Lane refurbishment								
				Introduce the care passport				
						62		

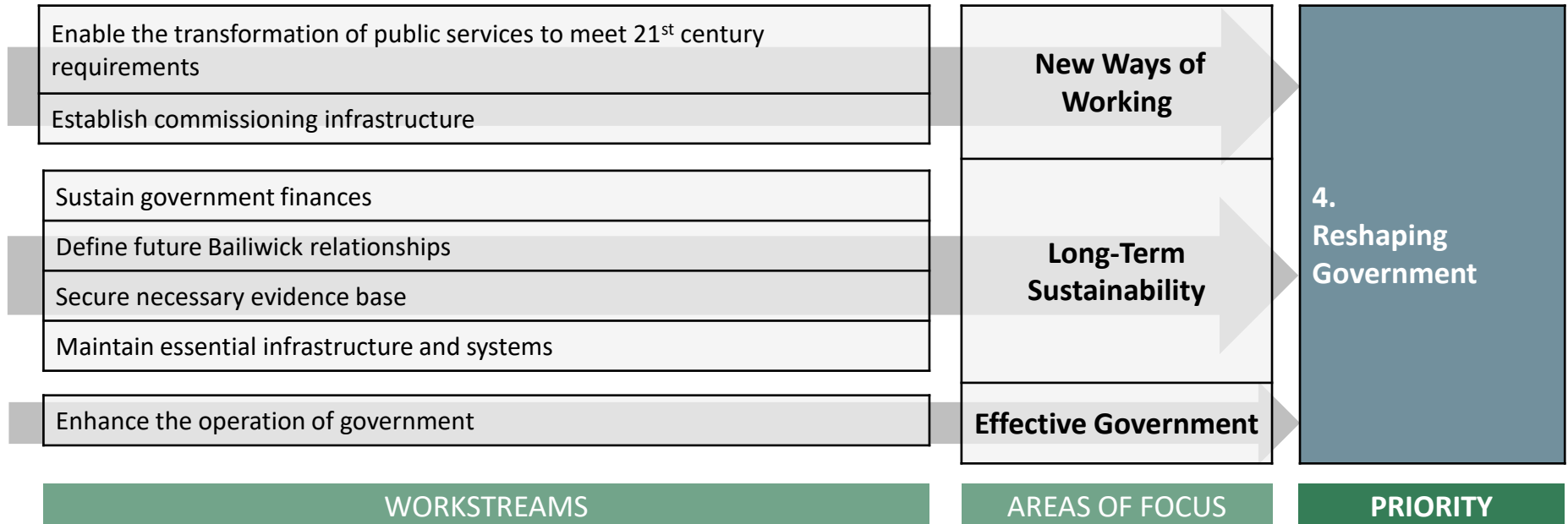


Next 18 months		Remaining Term			Held in abeyance
2021	2022	2023	2024	2025	2026
Enable indemnity insurance for health and care providers					
Deliver PEH modernisation – phase 1 to 3, including PEH Energy and Pathology and Laboratory services					
	Extend Long Term Care scheme to include Care at Home <i>(implementation plans for care at home due to be delivered no later than June 2022)</i>				
		Transfer health benefit operation to the Committee for Health & Social Care			
				Design and implement a scheme for the Funding of Medical Treatment for Guernsey and Alderney Residents Travelling in the UK	
				Review end-of-life care	

PRIORITY 3	
ENABLE ACCESSIBLE AND AFFORDABLE 21 ST CENTURY HEALTH AND CARE SERVICES (PART 2)	AREA OF FOCUS: COMMUNITY INVESTMENT

PRIORITY 4 – RESHAPING GOVERNMENT

WORKSTREAM SUMMARY



Next 18 months		Remaining Term			Held in abeyance		PRIORITY 4	
2021	2022	2023	2024	2025	2026	ENABLE THE TRANSFORMATION OF PUBLIC SERVICES TO MEET 21 ST CENTURY REQUIREMENTS	AREA OF FOCUS: NEW WAYS OF WORKING	
Design 21 st Century front-facing public services	Implement 21 st Century front facing public services							
Design 21 st Century strategic services for government	Implement 21 st Century strategic services for government							
Design and implement 21 st Century property and facilities management services across government								
Transform public service IT								
Deliver digital transformation of the Royal Court								
Carry out public service workforce planning								
Prepare for, plan and deliver the further rationalisation of States property								
Prepare for, plan and deliver the rationalisation of the Home Affairs Estate								
2021	2022	2023	2024	2025	2026	ESTABLISH COMMISSIONING INFRASTRUCTURE		
Establish a Commissioning Team								
Review commissioned services								
Explore the options for a Nature Commission		If agreed, implement Nature Commission						

Next 18 months		Remaining Term			Held in abeyance
2021	2022	2023	2024	2025	2026
Agree a sustainable taxation policy	Implement the agreed taxation policy				
Develop, enact and implement secondary pensions					
Introduce the new governance model for the Seized Asset Fund					
Establish the Dormant Accounts Fund					
Implement International Public Sector Accounting Standards					
Define the universal health offering					
Deliver the Revenue Service Target Operating Model and associated IT replacement					
	Provide for equity release mortgages in Guernsey				

PRIORITY 4

SUSTAIN GOVERNMENT FINANCES

AREA OF FOCUS: LONG-TERM SUSTAINABILITY

Next 18 months		Remaining Term			Held in abeyance		PRIORITY 4	
2021	2022	2023	2024	2025	2026	MAINTAIN AND STRENGTHEN BAILIWICK RELATIONSHIPS	AREA OF FOCUS: LONG-TERM SUSTAINABILITY	
Strengthen the relationship between Guernsey and Sark								
Strengthen the relationship between Guernsey and Alderney								
2021	2022	2023	2024	2025	2026	SECURE NECESSARY EVIDENCE BASE		
Implement/maintain minimum necessary measures to monitor the impact of government work								

Next 18 months		Remaining Term			Held in abeyance	PRIORITY 4
2021	2022	2023	2024	2025	2026	<div>MAINTAIN ESSENTIAL INFRASTRUCTURE AND SYSTEMS</div> <div>AREA OF FOCUS: LONG-TERM SUSTAINABILITY</div>
Replace the bus fleet – complete phases 1 and 2 and commence phase 3						
Replace the cremator						
Replace the Electronic Patient Record System						
Replace St. Sampson’s fire main pump						
Replace Virtual Machine Environment (VME)						
Replace Radiology Equipment						
Provide Tetra PSN (public safety network)						
Implement a solution for clinical and animal waste						
Complete Alderney Airport pavement rehabilitation						
Replace Guernsey Registry IT systems						
Carry out necessary SAP system updates						
Reinstate Mont Crevelt Breakwater						
			69			

Next 18 months		Remaining Term			Held in abeyance		PRIORITY 4	
2021	2022	2023	2024	2025	2026		MAINTAIN ESSENTIAL INFRASTRUCTURE AND SYSTEMS	AREA OF FOCUS: LONG-TERM SUSTAINABILITY
Implement an online passport system								
Deliver the future inert waste facility								
Repair Havelet slipway								
Repair/replace Castle Emplacement Bridge								
Repair Fermain wall								
						Deliver further coastal flood defences		
						Refurbish Castle Cornet		
						Deliver the future Guernsey Dairy		
						Purchase and install an additional MRI scanner		
						Replace CCTV systems		
						Deliver solution for Territorial Seas and Fisheries Enforcement		
						Plan and deliver the HSC Digital Roadmap		

Next 18 months		Remaining Term			Held in abeyance	PRIORITY 4	
2021	2022	2023	2024	2025	2026	ENHANCE THE OPERATION OF GOVERNMENT	AREA OF FOCUS: EFFECTIVE GOVERNMENT
Secure changes to Royal Assent							
Identify options to independently determine States-Members and Non-States Members remuneration							
Review how government works to meet islanders' needs							
Automate the electoral roll							
Introduce simultaneous electronic voting in the assembly							

ACTION DESCRIPTIONS

Actions to be held in abeyance are shown in **blue**.

PRIORITY 1: RESPOND TO THE COVID-19 PANDEMIC – ACTION DESCRIPTIONS

Work Stream	Action Title	Action Description
Deliver the vaccination programme	Deliver vaccine programme phase 1 and 2	This action has been in the implementation stage since December 17 th , 2020, when the first COVID-19 vaccinations were given in Guernsey. The vaccination programme continues to be delivered to the phase 1 and 2 cohorts at pace, with the goal of all individuals above the age of 50 and those who are clinically vulnerable to have two doses of the vaccine by the end of June with the remainder of the population aged over 18 being fully vaccinated by the end of summer 2021.
	Deliver vaccine programme phase 3. Further rollout of vaccination programme as directed by JCVI including booster vaccine rollout (Sept/Oct start)	Phase 3 of the vaccination programme would oversee the vaccination of children and young people below 18 years of age. Vaccinations for this cohort are still yet to be directed by Joint Committee on Vaccination and Immunisation (JCVI), however the States of Guernsey (“the States”) will follow its advice as and when it is given. Similarly, it is anticipated that future ‘booster’ vaccinations will be required for certain ages and demographics from autumn 2021. As above, the States will follow the clinical advice given by the JCVI when these vaccines have been approved by the Medicines and Healthcare products Regulatory Agency (MHRA).
Deliver the Bailiwick testing strategy	Continue symptomatic testing	Symptomatic testing has been one of the most essential tools in mitigating the effects of COVID-19 in the Island. Encouraging symptomatic people to come forward for testing – no matter how minor the symptoms – helps to detect outbreaks of COVID-19 in the Island and respond appropriately. The testing of symptomatic individuals will continue until mid-2022, when it is anticipated that it will then be integrated into routine pathology testing.
	Maintain the clinical helpline	The clinical helpline has been maintained throughout the COVID-19 pandemic as a first port of call for individuals who might have symptoms or clinical concerns in relation to COVID-19. Despite much of the population being protected by vaccination, the clinical helpline will be maintained as a resource for the local population as COVID-19 moves to becoming endemic. ¹
	Maintain surge and surveillance testing capabilities	Surge and surveillance testing were key to reducing the length of the second lockdown through the widespread monitoring of certain parts of the population. Moving forward, this testing capacity will be maintained to the end of 2022 to ensure future outbreaks – particularly those which might be concerning in relation to Variants of Concern – can be monitored and brought under control.

¹ In the context of COVID-19, the UK Government has described its shift to becoming endemic as meaning “the virus will reach a stable, and ... manageable level.” – [COVID-19 Response – Spring 2021](#)

Work Stream	Action Title	Action Description
	Develop an on-island capacity to allow for the rapid detection of Variants of Concern	The rapid detection of Variants of Concern will allow for the development of a more targeted self-isolation and contact tracing programme; something which is increasingly important as we learn to live responsibly with COVID-19.
	Maintain contact tracing capacity	Like testing, contact tracing played a key role during outbreaks of COVID-19 in the Island, and contact tracing capacity will be maintained to the end of 2022. This acknowledges the threat that COVID-19 still plays and will be essential should there be outbreaks caused by from Variants of Concern.
	Maintain test arrangements for arriving travellers at the airport and harbour	There are some countermeasures that have been deployed during the pandemic that might need to be extended for a longer period, such as traveller testing. While not all travellers may be tested as the world returns to a more normal state, the capacity to test some travellers from certain countries and regions is anticipated to be required through to 2024.
	Provide on-Island private pre-travel testing for travellers leaving Guernsey	Similar to tests for travellers entering the Island, another element of the 'new normal' will be testing requirements for outbound travellers that are required to show proof of a negative test within a certain time period before entering a country. These tests will be charged and delivered by the Princess Elizabeth Hospital to ensure a 7-day service can be offered.
	Investigate and implement, if feasible, wastewater testing capability	There is evidence to suggest COVID-19 can be detected in wastewater. This testing strategy would not identify an individual as being positive but could enable the detection of infections in the population, potentially linking this to specific locations of the islands. This would allow for a more targeted testing of population groups; a useful tool as the population becomes vaccinated and travel restrictions are eased. The capacity to test wastewater in the Island is therefore being scoped and if this is feasible will be introduced as part of an 'Early Warning System'.
Provide business support	Provide business support as needed	The States of Guernsey will continue to provide business support to businesses that are still impacted by COVID-19, such as those in the hospitality and tourism sectors. Support is currently agreed for some sectors until end March 2022 to coincide with the start of the 2022 visitor season when conditions at that time will determine whether any further measures are required.
Live responsibly with COVID-19	Manage border restrictions	Guernsey's borders are in a gradual process of being eased, however the Island will need to continue to be vigilant about travellers that enter the Island as more Variants of Concern spread across the world. It is therefore essential that border restrictions remain flexible and responsive to any emerging threats.

Work Stream	Action Title	Action Description
	Prepare the necessary legislation to manage COVID-19	Through the course of the pandemic, the Civil Contingencies Authority has enacted a significant amount of emergency legislation to enable it to respond quickly and expediently. As we return to a new normal, it is only appropriate that this emergency legislation is rescinded entirely or replaced with primary legislation that has been enacted through the parliamentary process.
	Continue, evaluate and appraise the need for non-pharmaceutical interventions	Non-pharmaceutical interventions (NPIs), such as the wearing of face coverings and social distancing, have been implemented during outbreaks of COVID-19 in Guernsey. NPIs have been reduced in accordance to the level of risk following a planned exit from lockdown but will need to be continually evaluated and appraised as circumstances require. The re-emergence of community seeding, which threatens the hospital capacity and infrastructure may necessitate the reintroduction of NPIs, such as social distancing and the wearing of face coverings.
	Introduce COVID-19 status certification scheme for travellers	An on-island solution for a COVID-19 status certification, commonly called a 'vaccine passport', is in development to ensure that persons vaccinated in Guernsey are able to have proof of vaccination when travelling. Many airlines and countries already require proof of vaccination, and as such an official States of Guernsey COVID-19 status certification is being developed to ensure Islanders comply with international standards when travelling abroad. This may also be extended to include proof of a negative COVID-19 test.

PRIORITY 2: MANAGING THE EFFECTS OF BREXIT; MEET INTERNATIONAL STANDARDS– ACTION DESCRIPTIONS

Work Stream	Action Title	Action Description
Enhance the Bailiwick's constitutional resilience	Assert Guernsey's constitutional position	This action is focused on asserting and protecting Guernsey's constitutional position and relationship with the UK. This action includes scoping work to identify the detailed actions to be delivered in this area.
	Continue development of Guernsey's international identity	This action will identify further measures that can be taken to develop Guernsey's international identity in line with the 2008 framework. ² This action includes scoping work to identify the detailed actions to be delivered in this area.
Ensure compliance with agreed international	Facilitate ongoing compliance with UK-EU TCA and other FTAs	This action will seek to ensure that the Bailiwick remains compliant with the UK-EU Trade and Cooperation Agreement (TCA) across all areas, and also that it takes the necessary measures to ensure that it is compliant with any Free Trade Agreements (FTAs) that the Bailiwick has currently had extended to it or wishes to have extended to it in future.

² [Framework for developing the international identity of Guernsey](#)

Work Stream	Action Title	Action Description
agreements/ standards	Review terrorism legislation	This action will carry out a review of the terrorism legislation that is currently in place in the Bailiwick, including introducing legislation equivalent to the provisions of schedule 7 of the UK Counter Terrorism Act 2008, to ensure that it meets international standards.
	Maintain compliance with international standards on financial crime and regulation and prepare for international evaluations	This action will ensure that the Bailiwick makes the necessary changes to ensure compliance with international standards on financial crime, and that it is therefore prepared for international evaluations including: <ul style="list-style-type: none"> • Prepare for MONEYVAL 2023 • Ongoing preparation for other periodic evaluations • Legislative changes and associated legal aspects of evaluations • Implement required Law Enforcement structure and upgrade systems
	Respond to emerging cyber-security requirements	This action will ensure that the necessary measures are taken so that the Bailiwick is compliant with any emerging cyber-security requirements.
	Develop and deliver Periodic Testing Inspections for road transport	This action will implement the required measures to ensure that the Bailiwick is prepared for Periodic Testing Inspections for road transport.
	Develop a register of driving instructors	Finalise the legislation relating to providing for a register of driving instructors, a requirement of the Vienna Convention, and subsequent amendments to the Driving Licences (Guernsey) Ordinance, 1995.
	Ensure ongoing compliance with treaties is maintained and developed where necessary	This action will focus on ensuring that the Bailiwick is compliant with all treaties that are currently signed up to, including monitoring and implementation considerations.
Seek opportunities for new beneficial arrangements	Explore opportunities for Bailiwick participation in UK-Rest of World Free Trade Agreements	This action will seek to liaise with the UK Government to identify opportunities for Bailiwick participation in UK-Rest of World Free Trade Agreements where proportionate, practical and relevant, and will include the formation of a dedicated trade team.
	Secure extension of the Paris Agreement on climate change	This action will see the States work with the UK Government to have the Paris Agreement on climate change extended to the Bailiwick. Once agreed, the States will seek to implement its requirements and maintain ongoing compliance thereafter. The requirements and resulting impacts are still under discussion with the UK.

Work Stream	Action Title	Action Description
	Seek opportunities for participation in other relevant international agreements	This action will seek to identify appropriate and relevant international agreements (aside from Free Trade Agreements) that would be beneficial to the Bailiwick, and to participate in them when appropriate.
	Consider and review wider implications of potential future Free Trade Agreements (including customs matters)	This action will provide appropriate resources from across the States, but particularly from the Guernsey Border Agency, so that any costs and impacts of participating in any new Free Trade Agreement is fully understood and scoped out to ensure that it is feasible, proportionate and appropriate.
Ensure customs agreement compliance	Achieve and maintain customs compliance with relevant International Agreements and conventions	<p>This action is focused on ensuring that the customs procedures and processes in the Bailiwick are compliant with the requirements as set out in the relevant International Agreements. It also recognises that these requirements will change over time and the arrangements must be aligned and maintained. Specific actions include:</p> <ul style="list-style-type: none"> • Implementation of simplified procedures – for entry and defence records, duty deferment, simplified frontier declaration and aggregated decisions • Compliance with World Customs Organisation requirements • Review of primary customs legislation to meet obligations of Customs Arrangement
	Fulfil the obligations required by the UK/Bailiwick Customs Arrangement	<p>This action is focused specifically on fulfilling the obligations that Guernsey is committed to with regard to the Customs Arrangement with the UK. Specific actions include:</p> <ul style="list-style-type: none"> • Implementation of Safety and Security Declarations – requiring Memorandum of Understanding with Her Majesties Revenue and Customs (HMRC), operational guidance, regulations for ENS (Entry Summary Declaration) system submission and Safety and Security Declarations • Manifesting of goods – new directions in the Customs Law, to be published and operationalised • Control of Detained Goods – designation of sites, mechanism for movement of detained goods • Customs Special Procedures – legislation, process, operational guidance
Respond to and assist in shaping international tax standards	Negotiate and implement the requirements of OECD Pillars 1 and 2	This action will see the States commit to implementing the requirements of the developing work on the OECD (Organisation for Economic Co-Operation and Development) Pillars 1 and 2. The pillars are a response to the digital economy and ensure that companies are taxed based on business presence (without necessarily a physical presence) and will ensure that the appropriate level of tax is paid by multinational enterprises.
	Respond to the EU Code of Conduct Group	This action will ensure that the Bailiwick can continue to respond to any developments that arise from the EU Code of Conduct Group so that it remains compliant with tax standards.

Work Stream	Action Title	Action Description
	Amend Income Tax Legislation as required	This action recognises that changes in the international tax system will require changes to the Bailiwick's own Income Tax Legislation. This will also link in with the outcome from the ongoing work on a sustainable Tax Policy.
Continue to meet economic substance requirements	Continue to meet economic substance requirements and prepare for periodic tax reviews	This action will ensure that Guernsey maintains its compliant stance on economic substance and that it is prepared for periodic tax reviews that are undertaken by various international bodies. This work is important in maintaining Guernsey's international reputation as a global finance centre.
Meet the political commitments made to the EU alongside the TCA in respect of assistance in collection of certain indirect taxes	Negotiate and implement the VAT Protocol	This action will conclude the negotiations with the UK and EU on the Bailiwick's participation in the VAT Protocol to the UK-EU Trade and Cooperation Agreement (TCA). It will then implement the requirements to ensure that it remains compliant with the TCA, and that it meets the commitment made in the political declaration attached to the UK-EU TCA on debt recovery of certain indirect taxes.
Ensure ongoing alignment with the TCA	Take measures to ensure that Guernsey taxation aligns to, and continues to align with, the TCA	This action will implement the measures that are required to ensure that the tax regime in Guernsey aligns, and continues to align with, the requirements as outlined in the EU-UK Trade and Cooperation Agreement.
Implement Common Reporting Standards (CRS)/ CRS v2	Comply with Common Reporting Standards	This action will ensure that appropriate resources are allocated to the Revenue Service so that it can continue to meet the Common Reporting Standards (CRS) for the automatic exchange of information, including additional staff and IT resource.
	Implement new Common Reporting Standards requirements as they arise	This action will provide the States with the flexibility to respond to changes in the Common Reporting Standards, especially as it is recognised that there is the potential for this to require significant additional resource.

Work Stream	Action Title	Action Description
	Prepare for OECD Global Forum on Transparency and Exchange of Information for Tax Purposes	This action will ensure that the Bailiwick is prepared for the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes, and that necessary measures are implemented.
Implement required operational border infrastructure	Make changes to both infrastructure and operational arrangements at the ports	This action will make the necessary changes to the infrastructure and operational arrangements at the ports. This includes installation of a customs red point, changes to the Disclosure and Barring Headquarters (DBHQ) clearance area and upgrades to the New Jetty facilities.
	Implement changes at Alderney harbour depending on Sanitary and Phytosanitary Standards measures	This action will make necessary changes at Alderney harbour to ensure that it can bring in agri-foods products. The arrangements to be implemented will depend on what legislation is introduced in relation to Sanitary and Phytosanitary Standards.
Implement required Customs and Excise structure	Identify, implement and maintain an appropriate Customs and Excise service structure	This action will implement an appropriate Customs and Excise service structure, including ensuring there is appropriate resourcing to carry this out and support the governance and operational delivery of the Customs regime. This will enable the delivery of post-Brexit business as usual functions and may require further modification in line with new agreements.
Ensure capacity and project support for borders-related requirements	Upskill and backfill staff to deliver business as usual functions post-Brexit	This action will ensure that staff at the Guernsey Border Agency (GBA) are aligned to the required border infrastructure. This will therefore involve both backfilling of position where staff have been redeployed and identification of appropriate training packages to upskill officers with the necessary new functional areas.
	Provide appropriate resource to support the GBA to deliver mandatory Brexit workstreams	This action will provide resource to project support the associated Brexit workstreams that fall under the Guernsey Border Agency.

Work Stream	Action Title	Action Description
GEMS development to ensure compliance with UK-EU TCA and FTAs	Develop, test and implement system changes to the GEMS to support the new post-Brexit operating environment, achieve compliance with UK-EU TCA, Customs Arrangement and new Free Trade Agreements (FTAs)	This action will develop the Guernsey Electronic Manifest System (GEMS) as required to ensure that Guernsey's border arrangements and manifest system remain compliant with the UK-EU TCA, Customs Arrangement and new FTAs, and to support the new post-Brexit operating environment. It will also implement further changes to respond to variations in the Customs Arrangement and future Free Trade Agreements.
Implement required immigration and nationality service structure	Identify, implement and maintain an appropriate Immigration and Nationality service structure that enables the delivery of the post-Brexit business as usual functions	This action will implement an Immigration and Nationality service structure that enables the delivery of the post-Brexit business as usual functions. It is recognised that as the borders re-open following the pandemic, the full ramifications regarding the new treatment of EU nationals will become known and may require further restricting and resources.
	Integrate systems between immigration and Population Management for work permit applications	This action will develop, test and implement changes to the population management system to accommodate a single, joined-up portal for work permit applications that will service both immigration and population management needs. This will allow for efficient processing of EU/EEA nationals wanting to come and work in the Bailiwick.
	Develop GINIS to integrate with UK ATLAS system	This action will see the necessary changes made to the Guernsey Immigration and Nationality Information System (GINIS) to allow interface with UK equivalent ATLAS system. This is required as a result of changes in the treatment of EU/EEA nationals and the introduction of an entry clearance visa.
Maintain trade in goods	Develop market surveillance capability	This action will provide the necessary resources to be able to enhance the market surveillance capability of the States that has arisen following Brexit. This includes development of a new database and additional staff, which will allow the monitoring of the technical compliance of manufactured goods in the Bailiwick.

Work Stream	Action Title	Action Description
	Contribute to UK Fisheries Management Centre and Export Service	This action will provide service costs to the UK Fisheries Management Centre and Export Service which will be necessary to allow Bailiwick vessels to continue to trade in fisheries products with EU ports.
	Identify and implement solution for French fishing vessel licensing and monitoring	This action will implement the licensing regime for French vessels to access Bailiwick waters and enforce it thereafter. The main focus of this action will be to determine what method should be used to monitor Bailiwick waters, as well as to support the acquisition of scientific data to support the fishing requirements.
	Extend the UK's contracting party status with the North East Atlantic Fisheries Commission to the Bailiwick	This action will secure the extension of the North East Atlantic Fisheries Commission (NEAFC) to the Bailiwick. NEAFC covers a broad range of fishing matters, if the Bailiwick does not secure its extension vessels could be subject to boarding and inspection and also prevented from landing or transshipping fresh fish and shellfish at NEAFC members ports (which includes those in France). Once extended there will be further actions needed to implement the requirements.
	Deliver necessary measures to ensure Sanitary and Phytosanitary Standards requirements are met	This action will involve staff recruitment and computer system replacement to ensure that the Sanitary and Phytosanitary Standards (SPS) requirements as under the UK-EU TCA are met. There will also be a need to retain the services of Tautenay consultancy to support this work, as well as to provide resilience to the Plant Health service.
	Conduct further exploratory work to identify any additional actions needed to support plant and animal health/Sanitary and Phytosanitary Standards	This action delivers the scoping work needed to identify any further actions needed to support plant and animal health/ Sanitary and Phytosanitary Standards in addition to those covered in the action above.

Work Stream	Action Title	Action Description
	Enhance and implement changes to SPS border model as necessary for the import and export of certain products, including animals/animal products and plant/plant products	This action is primarily focused on the establishment of a Border Control Post (BCP) or similar non-customs border model to ensure that the Bailiwick can continue to export products, including animals/animal products and plant/plant products
	Consider additional Plant Health, Control of Plants and Plant Pests legislation	This action will ensure that necessary legislation to protect plant health is implemented. This will be necessary to guarantee that plants and plant products meet the required standards as set out by the UK-EU TCA and other FTAs, so that trade in these products can continue.
	Ensure alignment with UK regulatory controls on genetically modified crops	This action will implement the legislation required for both Biotechnology and Genetically Modified Organisms. This work arose from a Resolution in 2003 but has had added emphasis due to Brexit as legislation is necessary to underpin the trade in these products.
Maintain Trade in Services	Prepare Limited Liability Companies Legislation	This action will develop and implement legislation that will allow the introduction of Limited Liability Companies in the Bailiwick, which will ensure that it meets international standards in this area and facilitate further trade in services.
	Develop necessary Competition Legislation	This action will develop and implement legislation to ensure that the merger control regime is more appropriately implemented, ensuring that the Bailiwick meets international standards in relation to mergers and acquisitions and to facilitate further trade in services.
	Carry out exploratory work to identify actions needed to maintain the trade in services	There is a potentially substantial set of actions relating to the trade in services. This is especially significant as, whilst the Bailiwick is not covered in the TCA in relation to this area, the States may in future wish to have these chapters extended to it in future UK-Rest of the World FTAs where it is proportionate, practical and relevant to do so. Work is therefore ongoing to explore the scope and detail of actions in this workstream, and it will be necessary to ensure that the States can appropriately resource them when the requirements are known.

Work Stream	Action Title	Action Description
Maintain Intellectual Property Protections	Carry out exploratory work to identify actions needed to maintain intellectual property protections	There is a potentially substantial set of actions relating to intellectual property. This is especially significant as, whilst the Bailiwick is not covered in the Trade and Cooperation Agreement in relation to this area, the States may in future wish to have these chapters extended to it in future UK-Rest of the World Free Trade Agreements where it is proportionate, practical and relevant to do so. Work is therefore ongoing to explore the scope and detail of actions in this workstream, and it will be necessary to ensure that the States can appropriately resource them when the requirements are known.
Ensure compliance at the border with Trade and Cooperation Agreement legislation	Ongoing communication between States Committees to ensure that all legislation which relies on border controls is enforced.	This action will see the Guernsey Border Agency liaise with relevant Committees to ensure that necessary border measures are in place to enforce the relevant pieces of border-related legislation. It is also recognised that these requirements may change over this term.

PRIORITY 3: DELIVER RECOVERY ACTIONS – ACTION DESCRIPTIONS

Work Stream	Action Title	Action Description
Invest in the finance sector	Invest additional funding into promoting Guernsey's finance sector	This action is focused on enhancing the promotion of the local finance sector by providing additional funding for Guernsey Finance in the period 2021-2024.
Accelerate the digital economy	Digital Framework - Invest in and develop the local digital economy	<p>This action will manage and coordinate a series of initiatives that will invest in and develop the digital economy, and which will support digital transformation in other sectors. These initiatives will be delivered both by the States and by external stakeholders and will help to maximise the benefits from the enhanced digital infrastructure, including the accelerated rollout of fibre.</p> <p>Considerations will include;</p> <ul style="list-style-type: none"> - the promotion of Guernsey for digital business, - the promotion of digital careers (linking to the human capital development plan) - the unblocking of barriers to digital transformation in local sectors - expanding access to technology - Fintech opportunities - future infrastructure requirements <p>SMART Guernsey: The Digital Sector Strategic Framework</p>
	Continued support for digital skills and pathways	This action will ensure that investment in digital skills development (aligned to the actions in the Promote Education, Skills and Learning workstream) and pathways into the digital sector are maintained (this will likely include continued support for the Digital Greenhouse to deliver services in this area).
	Promote and support innovation, transformation and entrepreneurial growth in the digital sector (scale-ups)	This action will support digital businesses on island to scale-up by unlocking opportunities for on-island custom and providing the necessary ecosystem for business development. Initiatives in this area will complement and be aligned to the other actions in the 'Accelerate the digital economy' workstream.
	Establish regulation and legislation to enable the digital sector	This action will seek to establish future-proof digital legislation and regulation. This will support the maintenance of a cyber-secure island and enable digital businesses to operate competitively.

Work Stream	Action Title	Action Description
	Establish Future Telecoms Strategy	This action will update and add detail to the future Telecoms strategy for the island, considering the digital infrastructure requirements needed by the digital economy ambitions. Current Future Telecoms Strategy
	Implement a universal fibre broadband network	This action will introduce Fibre to the Premises (FTTP) across the island, achieving increased broadband speeds.
	Establish a 5G licensing framework	This action will develop and implement a licensing framework to facilitate the introduction of 5G in Guernsey. Requête - Ensuring that a Policy Letter on the policy governing 5G Technology is debated by the States Assembly, Billet d'État X, 2020 (deferred from meeting on 14th April)
Unlock enterprise	Scope actions necessary to support local entrepreneurship and diversification post COVID-19	This action will identify the changes necessary to improve the conditions for entrepreneurship on-island. It will aim to propose and drive forward a compelling package to foster enterprise and innovation, including factors such as access to finance, advice and mentoring, access to premises and government requirements/restrictions.
	Scope the options for Guernsey enterprise zones	This action will consider the options for introducing enterprise zones in the Guernsey. In other jurisdictions, enterprise zones are geographic regions that are granted special status by a government in order to encourage development and economic growth. The zones may be granted favourable tax rates, regulatory exemptions, or other incentives to encourage businesses to stay in the area or locate in it.
	Scope the options for Enterprise Investment Schemes	An Enterprise Investment Scheme was introduced in the UK to encourage and incentivise investment in smaller companies in order to offset some of the inherent risk. The scheme offered tax reliefs to individuals who bought shares in new companies, supporting small companies to raise money and grow. This action will consider whether a similar scheme would be beneficial in Guernsey.
	Introduce investor / entrepreneur visas	This action will introduce visas specific to those wishing to set up or invest in businesses on the island, particularly if they can provide evidence of innovation. The visas offered will be compatible with Guernsey's immigration laws and with international norms.
	Conduct a second red tape review	This action will look at the need for current restrictions in place for businesses in order to identify ways to encourage entrepreneurs to locate to Guernsey. Once agreed, these restrictions will be removed.

Work Stream	Action Title	Action Description
	Enable general and commercial aviation and enhance the Guernsey Aircraft Registry	This action will focus on supporting the parts of the finance and professional services sector for whom the aircraft registry is an important part of Guernsey's business offer. It will also enhance the capacity of the registry to support the development of commercial aviation in the Island, which is a clear niche opportunity, and in so doing will enhance the economic value of the Guernsey Aircraft Registry (2-REG) through income received by the States.
	Support emerging economic opportunities	This action will support the jurisdiction to exploit new or emerging economic opportunities when they are identified.
	Update the Limited Partnership Law	This action concerns the re-enactment of the Limited Partnerships (Guernsey) Law, 1995 with miscellaneous amendments such as the transfer of functions to company registrar, migrations, conversions and protected cells.
Invest in the visitor economy	Establish a tourism plan and campaign	<p>Developed in 2015, the Guernsey Tourism Strategy set out high-level strategic aims for the tourism sector, with the intent of arresting the long-term decline in visitor numbers and creating a firm strategic platform for future sustainable growth. Since the strategy was developed, the COVID-19 pandemic has dramatically changed the global face of tourism.</p> <p>A new tourism plan will successfully target and capitalise on market sectors identified as offering the greatest opportunity for speedy industry recovery and sustained growth in the future.</p>
	Prepare and invest in tourism product and accommodation	<p>A strong, enhanced and well-positioned product offering will be required for the tourism plan to succeed, including many products recommended in the 2017 PwC Strategic Review of Guernsey's Tourism Product and Service Offering report.</p> <p>This action will involve investing in tourism product and accommodation – including heritage, arts, culture and sport, the development of eco-tourism, and exploring the potential for health tourism.</p>
Invest in nature and the natural economy	Update the Environmental Pollution Law	<p>This action will amend the Environmental Pollution (Guernsey) Law, 2004; water standards; exemptions from the Food and Environmental Protection Act for certain deposits in sea.</p> <p>Environmental Pollution (Guernsey) Law, 2004, Part VI - Water Pollution</p>
	Prepare and implement updated animal welfare legislation	<p>This action will deliver the remaining Ordinances required for: welfare of animals during international transport; the regulation of professions and responsibilities; and liabilities of animal owners. This action will align to Animal Health legislation and enforcement requirements brought as a result of Brexit.</p> <p>Review of Animal Welfare Legislation</p>

Work Stream	Action Title	Action Description
	Blue economy – Carry out marine habitat mapping and deliver a natural capital pilot and develop a marine natural capital database and atlas.	<p>This action will map Guernsey’s marine habitats and establish a natural capital database for Guernsey’s marine environment (showing the natural capital value of specific locations in the marine space) to support sustainable spatial and development decisions in the future (a natural capital account can help to inform and improve decision-making by framing the natural environment as a series of economic assets and highlighting the range and value of benefits that they provide). This will support the development of a Blue Economy Supporting Plan necessary to develop the Blue Economy effectively in the island.</p> <p>2020 Strategy for Nature Mitigate Climate Change – States of Guernsey Climate Change Policy & Action Plan, Billet d’État XVI, 2020</p>
	Blue economy - Conduct a marine biodiversity net gain pilot and then fully develop marine biodiversity net gain	<p>This action will establish a biodiversity net gain (BNG) planning tool for use in Guernsey’s marine space (biodiversity net gain refers to an intervention which results in the net improvement to biodiversity for a defined environmental area). A BNG tool in Guernsey will help to ensure that proposed developments enhance rather than harm an areas ecological value and help to prevent damage to key natural services on which the island relies. This will support the development of a Blue Economy Supporting Plan necessary to develop the Blue Economy effectively in the island.</p> <p>2020 Strategy for Nature Mitigate Climate Change – States of Guernsey Climate Change Policy & Action Plan, Billet d’État XVI, 2020</p>
	Develop a blue economy supporting plan	<p>This action will set out a framework to guide and forecast future marine development, marine activities and management decisions and options (projecting forward over a 20-year period). The plan will help to minimise any conflict of interest between potential development scenarios, marine users and the protection of the marine natural environment and the vital services provided. Capital account and BNG actions will underpin the development of the plan.</p> <p>2020 Strategy for Nature Mitigate Climate Change – States of Guernsey Climate Change Policy & Action Plan, Billet d’État XVI, 2020</p>
	Develop a marine biosecurity plan	<p>This action will produce a marine biosecurity plan aimed at minimising the potential threat from invasive non-native species. Invasive species are one of the greatest threats to natural resources and biodiversity and have removal and management costs. Without an effective plan, investment in the island’s blue economy will be at much greater risk and marine trade and travel will be more vulnerable.</p>

Work Stream	Action Title	Action Description
	Green economy – Carry out mapping and a natural capital pilot study and complete natural account and atlas	<p>This action will pilot the use of a natural capital tool in Guernsey's terrestrial environment (a natural capital account can help to inform and improve decision-making by framing the natural environment as a series of economic assets and highlighting the range and value of benefits that they provide).</p> <p>2020 Strategy for Nature Mitigate Climate Change – States of Guernsey Climate Change Policy & Action Plan, Billet d'État XVI, 2020</p>
	Green economy – Carry out biodiversity net gain feasibility study and develop and transition to biodiversity net gain	<p>This action will trial the use of a BNG tool for planning decisions in Guernsey's terrestrial environment (biodiversity net gain refers to an intervention which results in the net improvement to biodiversity for a defined environmental area).</p> <p>2020 Strategy for Nature Mitigate Climate Change – States of Guernsey Climate Change Policy & Action Plan, Billet d'État XVI, 2020</p>
	Green Economy - Complete a natural capital account and atlas	<p>This action will implement the use of a natural capital tool in Guernsey's terrestrial environment. This will include a natural capital account, database and GIS map (natural capital atlas) to show the natural capital value of specific locations around Guernsey (a natural capital account can help to inform and improve decision-making by framing the natural environment as a series of economic assets and highlighting the range and value of benefits that they provide).</p> <p>2020 Strategy for Nature Mitigate Climate Change – States of Guernsey Climate Change Policy & Action Plan, Billet d'État XVI, 2020</p>
	Green Economy – Implement Biodiversity Net Gain	<p>If the pilot is successful, this action will implement the use of a BNG tool for planning decisions in Guernsey's terrestrial environment (biodiversity net gain refers to an intervention which results in the net improvement to biodiversity for a defined environmental area), to halt the net loss of nature in Guernsey due to development.</p> <p>2020 Strategy for Nature Mitigate Climate Change – States of Guernsey Climate Change Policy & Action Plan, Billet d'État XVI, 2020</p>

Work Stream	Action Title	Action Description
	Green Economy – Deliver a green economy supporting plan	<p>This action will involve drafting the green economy supporting plan – informed by the above evidence base – to maximise the multi-functional use of Guernsey's green spaces including for the delivery of renewable energy and sustainable tourism, to develop potential for social prescribing and mental health and wellbeing, to maintain our network of wildlife corridors and create a catalyst for innovative green building.</p> <p>2020 Strategy for Nature</p>
Enable opportunities for regeneration	Complete development frameworks for all Regeneration Areas	<p>This action will complete the development frameworks for all Regeneration Areas.</p> <p>Regeneration Areas have been identified through the Island Development Plan (IDP) as areas where a co-ordinated, flexible, focused and positive approach to development could attract inward investment in the Main Centres and are most likely to provide economic, social and environmental improvements for the benefit of the community. Development frameworks set out the issues and opportunities for each area and give practical guidance to developers, investors and others as to how the area can be developed beneficially in accordance with land use policies and can act as a catalyst for development.</p> <p>Development Frameworks - States of Guernsey (gov.gg)</p>
	Determine the future aggregate supply policy	<p>This action requires the States to determine the policy direction through which it will secure a sustainable and resilient future aggregate supply for the island. At present, aggregate supply for Guernsey is largely provided from on-island quarrying, however workable, unconstrained reserves at Les Vardes quarry will be exhausted by the end of 2022/early 2023.</p> <p>Mitigate Climate Change – States of Guernsey Climate Change Policy & Action Plan, Billet d'État XVI, 2020</p>
	Determine the future strategic use of Les Vardes	<p>The Les Vardes site is currently used as a source of aggregate supply for the island. Given the site's predicted exhaustion in 2022/2023, this action is required to determine the best use of the site going forward. This decision will be influenced by future water management and inert waste requirements.</p>
	Conclude decision making on the future inert waste facility	<p>The current inert waste facility at Longue Hougue is expected to be full around 2022/23, after which a new solution will be required. This action will finalise the site decision for the future disposal of inert waste in the island and the development of a new inert waste facility, following the completion of planning requirements. It will include the development of the necessary Environmental Impact Assessment (EIA).</p> <p>Planning for a New Facility for Managing Residual Inert Waste, Billet d'État, 2020</p>

Work Stream	Action Title	Action Description
	Develop more detailed proposals for future harbour development and seek States approval	<p>This action will set out the type of infrastructure investment required to deliver effective harbour operations in Guernsey and (if agreed by the States) deliver further planning and investigation work as required. It will include the completion of the Harbour Action Area local planning brief.</p> <p>This action will be influenced by the States initial decisions on the future of the harbours - Future Harbour Development</p>
	Establish a regeneration board and develop the seafront masterplan	<p>This action will see the establishment of an arm's length regeneration board to take forward the seafront master plan.</p>
	Develop and agree the Bridge Strategy - with a focus on coastal defence considerations and excluding St Sampson's harbour	<p>This action will establish a Bridge Strategy. The strategy will guide co-ordinated action on long-term solutions for flood/coastal defence, traffic, access and movement, connectivity and public realm improvements (the action has a strong interdependency with any decision on the use of Leale's Yard).</p> <p>The action does not include St Sampson's Harbour – this area will be covered within Future Harbours Development.</p> <p>Coastal Defence Flood Studies, Billet d'État XV, 2013</p>
	Conclude appraisal of government involvement in developing Leale's Yard	<p>This action will finalise the assessment work currently in progress to determine government involvement in any development at Leale's Yard. A decision in this area influences the Bridge Strategy and the actions included in the Meet Housing Needs workstream.</p> <p>Requête – Island Development Plan, Billet d'État XIII, 2019</p>
Secure future energy requirements	Agree cost reflective tariff for electricity	<p>This action will fulfil a States Resolution which directs the Committee for Economic Development to undertake a review of structures for cost reflective tariffs (including reflecting fixed and variable costs) and will bring proposals to the States so that they may give direction to the relevant regulator.</p> <p>States of Guernsey Energy Policy 2020-2050, Billet d'État XI, 2020</p>
	Update the Electricity Strategy	<p>This action will introduce an updated electricity strategy. The strategy will aim to create an environment which fosters a dynamic, innovative and competitive energy market and which helps the energy market to transition to decarbonisation without risking the security of supply for Islanders and whilst keeping energy costs affordable and maximising opportunities for economic diversification.</p> <p>States of Guernsey Energy Policy 2020-2050, Billet d'État XI, 2020</p>

Work Stream	Action Title	Action Description
	Explore grid options, complete interconnector business case, and seek States decision	<p>This action concerns the potential development of a full business case for the installation of a second interconnector cable link direct to France. The business case would be undertaken by Guernsey Electricity. This will be considered alongside other grid options and will require States endorsement before further action is taken on the interconnector or other options</p> <p>States of Guernsey Energy Policy 2020-2050, Billet d'État XI, 2020 Mitigate Climate Change – States of Guernsey Climate Change Policy & Action Plan, Billet d'État XVI, 2020</p>
	Develop a licensing framework to support on-island renewable energy	<p>This action will establish a licensing framework for targeted competition to support the establishment of on-island (including territorial seas) renewables.</p> <p>It will establish an appropriate regulatory/competition framework which allows for promotion of innovation and adaptation in future energy provision including revision of existing measures, such as the electricity strategy, as appropriate.</p> <p>States of Guernsey Energy Policy 2020-2050, Billet d'État XI, 2020 Mitigate Climate Change – States of Guernsey Climate Change Policy & Action Plan, Billet d'État XVI, 2020</p>
	Review the licensing framework and regulation of utilities	<p>This action focuses on the overall licensing framework within the island and the regulation of local utilities. The States is currently under Resolution to remove postal services and electricity regulation by the Guernsey Competition and Regulatory Authority and amend Post Office and Electricity Laws to enable the Committee for Economic Development to regulate those utilities.</p>

Work Stream	Action Title	Action Description
Secure transport connectivity and infrastructure	Determine air and sea links policy	<p>This action will seek to strengthen Guernsey's existing air and sea connectivity through reviewing air and sea policy frameworks</p> <p>Air connectivity actions will consider;</p> <ul style="list-style-type: none"> • Setting clear stakeholder objectives for Aurigny; • Supporting Aurigny to provide connectivity on 'enablement routes'; and • Securing connectivity to destinations not served by Aurigny <p>Sea connectivity will consider;</p> <ul style="list-style-type: none"> • Coming to a long-term operating arrangement with a ferry provider for freight and passenger services. This work will include identifying overall service improvements to be delivered by the agreed service provider; <p>The full list of Core Strategic Objectives, Critical Success Factors and Investment Objectives are set out in Appendix 1 of the States of Guernsey Air and Sea Route Policy Development And Investment Objectives, Billet d'État XXVII, 2018. Transport decisions will be influenced by States decisions on the visitor economy and business requirements.</p>
	Support air route connectivity	This action will support the development, funding and provision of further air routes of benefit to the island, including support for local connectivity, business connectivity and the visitor economy.
	Upgrade the airport baggage handling system – Stage 1 and 2	<p>The current hold baggage system at Guernsey Airport does not meet regulatory compliance and has reached end of life. The matter of compliance will be dealt with under the Stage 1 works. Stage 2 will provide resilience and expansion opportunities.</p> <p>Guernsey Airport Hold Baggage Screening System Update</p>
	Conclude Guernsey Airport runway extension decision	<p>This action will conclude the decision-making process for the potential run-way extension options. Work is underway to fulfil the Resolution on the Committee for Economic Development to present a cost benefit analysis for the extension of the runway at Guernsey Airport to achieve a length of at least 1,700m.</p> <p>Requête - Development of the Business Case and Cost Benefit Analysis for the Extension of the Runway at Guernsey Airport to Create a 1,700 Metre Runway, Billet d'État XXII, 2019</p>

Work Stream	Action Title	Action Description
	Create a proportionate licensing regime for Roll on/Roll off ferry services	<p>This action will deliver the licensing regime and legislation required for Roll on/Roll off services at St Peter Port harbour.</p> <p>Strategic Roll On / Roll Off Ferry Services</p>
	Finalise remaining on-island integrated transport strategy legislation	<p>This action will deliver the remaining legislation agreed as part of the States previous work on an integrated transport strategy.</p> <p>On-Island Integrated Transport Strategy</p>
	Provide for parking permits for residential on-street parking	<p>This action will deliver an Ordinance under the Road Traffic (Parking Fees and Charges) (Enabling Provisions) (Guernsey) Law, 2009 to provide for parking permits.</p>
Promote education, skills and learning	Conclude the reorganisation of Secondary and Post-16 education	<p>This action will conclude the reorganisation of the policy for the structure of secondary education and Post-16 education in a non-selective system. It will set out the recommended policy direction and the infrastructure required to deliver a model which is appropriate for Guernsey in the post-COVID, post-Brexit financial context.</p> <p>Review of the Structure of Secondary & Further Education: Next Steps, Billet d'État VIII, 2020 Transforming Education Programme and Putting into effect the Policy Decisions Made by the States in 2018, Billet d'Etat XVI, 2019</p>
	Implement the recommendations of the nasen Report on SEND provision	<p>This action will seek to implement the recommendations published in the nasen Report into provision for Special Educational Needs and Disabilities in Guernsey and Alderney.</p> <p>Guernsey and Alderney SEND Review 2021 – nasen Report</p>
	Repeal and replace the Education Law	<p>This action will seek to repeal and replace the outdated Education (Guernsey) Law 1970, including the delivery of a new Projet, secondary legislation and the implementation of any operational or policy changes required as a result.</p>

Work Stream	Action Title	Action Description
	Identify actions needed to successfully grow knowledge and skills to reach potential and build resilience (including immediate action delivery where possible)	<p>This action will seek to develop a strategy for the next twenty years which aims to transform the way Guernsey develops its people. This strategy will enable the population to actively participate in their own skills and learning, undertaking broad digital upskilling as well as employment-based programmes. It will also enable the Bailiwick to be a competitive and leading jurisdiction internationally for business, through the accelerated upskilling and growth of a digitally enabled and innovative workforce, who have the skills required to live, work and participate fully in a digital world.</p> <p>Funding future skills actions will consider how to best use exiting spend before requesting additional monies.</p> <p>Implementing the States of Guernsey's Economic Development Strategy, Billet d'État XXV, 2018</p>
	Strategic investment in continuous education improvement	<p>This action will seek to ensure that the island's education system is sufficiently resourced to provide for continuous improvement and deliver excellent outcomes for learners, including responding to the results of school inspections.</p>
	Plan and deliver the Guernsey Institute	<p>The Guernsey Institute is intended to be a vibrant and inclusive centre of excellence for technical, vocational and professional learning which serves industry and the community. This action will consider the integration of existing services and the infrastructure, governance and technology required by the Institute.</p>
	Plan and deliver digital transformation for schools	<p>This action aims to provide a high-quality educational experience which benefits staff, learners and the wider community through the use of technology. It includes the development of digital skills as part of students learning.</p> <p>Transforming Education Programme and Putting into effect the Policy Decisions Made by the States in 2018, Billet d'Etat XVI, 2019</p>

Work Stream	Action Title	Action Description
	Review the delivery of Primary Education	<p>This action concerns the future policy direction for primary education in Guernsey.</p> <p>Resolution 4. Billet d'État XVI, 2019, Transforming Education Programme and Putting into effect the Policy Decisions Made by the States in 2018</p> <p>4. To note that the capital costs of redeveloping La Mare de Carteret Primary School will be in the range of £13.4 million to £22.4 million; and to delegate authority to the Policy & Resources Committee to approve expenditure, subject to the submission of appropriate business cases by the Committee <i>for</i> Education, Sport & Culture, of up to £22.4 million, which may be drawn down over a period of two years from 2022, for the capital redevelopment of La Mare de Carteret Primary School as part of the Transforming Education Programme; and to note that the business cases associated with this project will include the results of a review of capacity in the primary phase across the Island.</p> <p>Transforming Education Programme and Putting into effect the Policy Decisions Made by the States in 2018, Billet d'État XVI, 2019</p>
Meet housing needs	Establish the Housing Action Group and scope and deliver urgent measures necessary to relieve pressure in the current housing market	This action establishes a board called the 'Housing Action Group' which will oversee key housing actions and explore housing issues. The board will include representation from politicians on relevant Committees and subject matter experts. The Housing Action Group will urgently review the interventions which may be required to support the market to adapt to current housing pressures.
	Introduce a General Housing Law	This action focuses on the introduction of enabling legislation to allow for the regulation of the Island's housing other than control of occupation.
	Conclude housing provision strategic review and the GHA and housing operational review and reach States agreement	<p>This action will deliver the reports for two reviews into government and Guernsey Housing Association (GHA) housing provision and will seek States agreement on the resulting recommendations. These reports are currently in production.</p> <p>Housing Strategy</p>

Work Stream	Action Title	Action Description
	Develop and seek States approval of the States Strategic Housing Indicator	<p>The States Strategic Housing Indicator (SSHI) sets the number, type and size of additional units of accommodation that Guernsey needs to create in order to meet the Island's changing housing requirements.</p> <p>This action aims to develop a data collection model that will predict Guernsey's housing requirement for the next five years and look at how this can be used to recommend the level of the States Strategic Housing Indicator.</p> <p>Housing Strategy</p>
	Explore long-term market intervention options	<p>This action will focus on any further policy and legislative levers which may need to be introduced to help the government respond to any future issues in the market.</p> <p>Housing Strategy</p>
	Assess the future use of States-owned affordable housing units	<p>The States owns and manages a number of affordable housing units, these include social rental housing, key worker housing and specialised housing for people with specific care and support needs.</p> <p>This action will assess all States-owned affordable housing units to check that they are being used to their full potential and whether or not they are fit for their current purpose. This will then help inform which of these properties either remain as they are, have a change of use, get redeveloped or get sold. Any States-owned properties that need redevelopment, or new developments that need to be created, will form part of the Affordable Housing Development Plan for the next 5 - 10 years.</p> <p>Housing Strategy</p>
	Carry out developments to States-owned affordable housing	<p>Informed by the assessment action above, any States-owned properties that need redevelopment, or new developments that need to be created, will form part of the Affordable Housing Development Plan for the next 5 - 10 years.</p>
	Review availability, provision and funding of accommodation for elderly people in Guernsey	<p>This action will look at what types of accommodation are currently available for elderly people in Guernsey, how this is provided and funded, and see if there are gaps in this housing area. If gaps are identified, the action will look to make recommendations on how things could be improved.</p> <p>Housing Strategy</p>

Work Stream	Action Title	Action Description
	Review housing provision for key workers	<p>This action aims to set an agreed definition of what a 'key worker' is and who this currently includes, and then look at what housing is currently provided for them and how this could be improved for the future.</p> <p>Housing Strategy</p>
	Review the provision of emergency accommodation in Guernsey	<p>The purpose of this action is to fully review Guernsey's current provision of emergency accommodation and make recommendations on what provisions and structures could be implemented to improve the current position.</p> <p>Housing Strategy</p>
Keep the island safe and secure	Develop framework, building on criminal justice strategy to respond to social justice needs	<p>This action will look to develop a set of proposals and recommendations, as well as an implementation timeline for a Justice Framework.</p> <p>Developing a Justice Framework is the start of an extended transformational journey towards the development of an inclusive justice policy which recognises the relationship between social, family and criminal justice. During this term of government, the Committee <i>for</i> Home Affairs is seeking to facilitate cross-committee working to inform recommendations on the delivery of a successful and sustainable Justice Framework that meets the needs of the community. Criminal injuries compensation will be considered as part of the framework and policy development.</p> <p>Justice Review Report, Billet d'État XV, 2020</p>
	Enhance domestic abuse services in line with the updated domestic abuse strategy (including a three-year pilot of a Sexual Assault Referral Centre)	<p>This action will look to focus government, public services and voluntary agencies on the coordinated and effective delivery of services geared towards tackling domestic abuse. It looks to expand and invest further in the services agreed under the last strategy and will include a pilot of a Sexual Assault Referral Centre (SARC).</p> <p>Domestic Abuse Strategy, Billet d'État XXIII, 2015</p>

Work Stream	Action Title	Action Description
	Update parole legislation	<p>This action will update the local parole legislation to ensure that it reflects contemporary objectives, that parole decisions are founded on statutorily authorised considerations and best practice and are directed towards the most effective ways of enabling offenders to lead useful and offending-free lives. It will broadly align Guernsey's parole regime to that of England and Wales and will better reflect more recent Court decisions.</p> <p>Parole Review Committee, Billet d'État IV, 2005</p>
	Update sexual offences legislation – secondary legislation	<p>This action will progress the secondary legislation required to modernise the Island's sexual offences legislation.</p> <p>Sexual Offences Legislation: Supplementary Policy Matters, Billet d'État, 2020</p>
	Explore options for alternative and non-punitive approaches to the possession and use of small quantities of illegal drugs	<p>The Committee <i>for</i> Health & Social Care and Committee <i>for</i> Home Affairs are required to report back to the States with options for alternative and non-punitive approaches to the possession and use of small quantities of illegal drugs (including, but not limited, to cannabis), which take into account:</p> <ul style="list-style-type: none"> - the need to promote the health, wellbeing and safety of people who use drugs, and of the wider community; - the strategic principles of the Combined Substance Use Strategy and any evidence collected in its development, including the commissioned Independent Report on the Review of the interaction of health and justice system in relation to the possession of drugs for personal use; - the potential for moving from a regime governed by the criminal law towards a partly or wholly regulatory approach to all aspects of personal drug use; and - the results of consultation with the community and key stakeholders in respect of such alternative options.
	Amend the vetting and barring scheme legislation	<p>This action will deliver the legislation for and establish a new centralised Vetting & Barring Scheme for people working with children and vulnerable adults.</p>
	Update RIPL legislation (Regulation of Investigatory Powers Law)	<p>This action will consider RIPL requirements and update the legislation to bring it in line with current needs.</p>
	Update PPACE legislation (Police Powers and Criminal Evidence)	<p>This action will consider PPACE requirements and update the legislation to bring it in line with current needs.</p>

Work Stream	Action Title	Action Description
	Update sentencing policy	This action will update local sentencing policy to ensure appropriate sentencing responses in today's environment.
	Reform the Adoption Law – Primary Legislation	<p>In March 2016, the States agreed that The Adoption (Guernsey) Law, 1960, should be reviewed in order to put in place modern adoption practices and procedures that will allow for permanence for children who cannot live with their birth parents. This action will deliver an updated Law.</p> <p>Review of Adoption Law - Second Phase, Billet d'État VII, 2016</p>
	Conclude and implement the Matrimonial Causes Law Reforms including the amendments to the Domestic Proceedings Law	<p>The States agreed to reform the legislation relating to how couples annul, divorce or judicial separate in 2020. The primary legislation is being drafted and will provide enhanced safeguards to protect couples intending to marry as well as those who have married but wish to legally separate without attributing blame. This action includes the related changes required to the Domestic Proceedings legislation that contain similar fault grounds that will need to be removed to align to the reforms.</p> <p>Reform of the Matrimonial Causes Law, Billet d'État IV, 2020</p>
	Implement the Capacity Law	<p>This action will address the significant work remaining to give effect to the approval of the Capacity (Bailiwick of Guernsey) Law, 2020, by the States, in three key areas:</p> <ul style="list-style-type: none"> (i) The Protective Authorisation Scheme to safeguard the interests of individuals who no longer have capacity and ensure that decisions taken on their behalf are in their best interests. An appeals process will be established through the Mental Health & Capacity Review Tribunal; (ii) Lasting Powers of Attorney (LPAs) to enable people to register their wishes in advance in respect of: <ul style="list-style-type: none"> (a) health and welfare matters, and (b) property and financial affairs; (iii) The formalisation of Adult Safeguarding arrangements to ensure that there is the legislative framework and associated working practices to protect islanders' right to live in safety, free from abuse and neglect. <p>There is a need for subordinate legislation in some areas and an outstanding Resolution to prepare a business case for the development of an advocacy service. A Code of Practice will also be drafted.</p> <p>'Capacity Law' - Supplementary Policy Matters and Potential Financial Implications arising from the Appeals Process, Billet d'État V, 2020</p> <p>The Capacity (Bailiwick of Guernsey) Law, 2020, Billet d'État X, 2020</p>

Work Stream	Action Title	Action Description
	Review Children Law and Outcomes	This action will propose and deliver a series of amendments to the Children (Guernsey and Alderney) Law, 2008. In early 2020, the former Committee <i>for</i> Health & Social Care shaped its proposals for amendments to the Children Law and sought the views of key stakeholders on its recommendations, including the Committee <i>for</i> Home Affairs and several service-areas within its mandate. Some of the proposed amendments to the Law have the potential to be quite far reaching operationally. This work is also being informed by the findings of the independent report on delay and duplication in the systems and processes arising from the Children Law, which has been commissioned by the Chief Officer Child Protection Group. The Report focuses on changes to existing processes that will help to improve outcomes for children in the family justice system and considers broader aspects relating to governance.
	Prepare new credit and finance law	This action will deliver the repeal of the Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) Law, 2008 and the preparation of a new Credit and Finance Law. Credit and Finance Legislation
	Introduce the Discrimination Ordinance – Phase 1	Discrimination legislation promotes and protects people's right to equality of status, opportunity and treatment and non-discrimination on the basis of various 'grounds of protection'. This action will deliver phase 1 of the ongoing work on discrimination and equality. Phase 1 is the preparation of an Ordinance to prevent discrimination on the grounds of disability, carer status, race, sexual orientation, religious belief (subject to policy work in respect of exemptions regarding sexual orientation and religious belief). Work will include operational changes to the tribunal; a new statutory role; and support to the community to respond to the changes demanded by the Ordinance. Proposals for a New Discrimination Ordinance, Billet d'État XV – States Accounts, 2020
	Introduce the Discrimination Ordinance – Phase 2 (a)	Discrimination legislation promotes and protects people's right to equality of status, opportunity and treatment and non-discrimination on the basis of various 'grounds of protection'. This action will deliver phase 2 (a) of the ongoing work on discrimination and equality. This will require further policy work prior to the introduction of age and sex as an additional ground of protection.
	Deliver the Discrimination Ordinance Phase 2 (b) – Equal pay for work of equal value	Discrimination legislation promotes and protects people's right to equality of status, opportunity and treatment and non-discrimination on the basis of various 'grounds of protection'. This action will deliver phase 2 (b) of the ongoing work on discrimination and equality. This will require further policy work to extend protection beyond employment and introduce equal pay for work of equal value on the grounds of sex.

Work Stream	Action Title	Action Description
	Introduce effective and proportionate regulation for health and care	<p>This action focuses on the introduction of effective and proportionate regulation for health and care in the Bailiwick underpinned by a new primary law. This includes establishing suitable and effective regulatory standards for a wide range of health and care sectors, including (but not limited to) professional carers and healthcare assistants; care homes and care agencies; primary care providers (GPs, dentists, etc.) and providers of alternative/complementary therapies.</p> <p>Health and Care Regulation in the Bailiwick, Billet d'État III, 2019</p>
	Implement a requirement to pass a theory test prior to driving on the road as a provisional licence holder	<p>This action will deliver the legislation necessary to introduce a requirement to pass a theory test before driving on the road as a provisional driving licence holder. It will then introduce the necessary operational measures to implement the legislation.</p>
Enable responsive population measures	Assess impact and recommend actions to amend population and immigration policies	<p>These actions will review current population and immigration policy to ensure that Guernsey has a population management regime that can respond quickly to the Island's changing economic, social and environmental demands and support recovery from the COVID-19 pandemic.</p> <p>The Review will consider the changing economic climate as a result of the COVID pandemic and the impact of the Population Management (Guernsey), Law, 2016, since its implementation in 2017, on immigration, emigration, employment and the economy and its interaction with GDP and housing costs. The Review will acknowledge that there is a need to limit immigration to restrict population growth and manage pressure on public services, housing stock and the environment; and there is a need to access an off-island workforce to address local skills and manpower shortages to maintain services in light of the demographic shift in the island and to foster economic growth.</p>

Work Stream	Action Title	Action Description
Support healthy living	Scope and deliver improvements to occupational health and wellbeing services post-COVID-19	<p>The pandemic has had a significant impact on a number of sectors and occupations, it has also put a lot of pressure on individuals and prevented or slowed some medical treatments. This action will progress a third phase of the existing SOHWELL Programme (Supporting Occupational Health & Wellbeing), including projects to address issues arising from the pandemic.</p> <p>SOHWELL Phase 1 took place in 2015-2016 and Phase 2 took place in 2016-2017. SOHWELL was initiated as an operational project to transform the way in which short and long-term sickness is managed and to reduce the rising trend in long-term incapacity. Phase 3 will seek to build on the achievements of Phases 1 and 2 and respond to pandemic pressures by building on vocational rehabilitation and occupational health services. The first action step will be to scope the specific aims of Phase 3.</p>
	Implement a system to reduce backlogs and waiting times in health and care services	<p>This action aims to reduce the backlogs and waiting times across health and care services to pre-COVID-19 levels. The pandemic had a particular impact on some health and care services where service delivery was limited by essential public health restrictions, for example, surgical intervention was limited to only the most urgent priority cases. This has meant that waiting lists have grown as continued outpatient activity added to the backlog with no ability to remove cases.</p> <p>A range of interventions will be required to deliver backlog reductions. The actions will need to be run in parallel and must be understood in the context of a continuing pandemic which impacts the free movement of associated critical staff and could impact progress if there are further waves of infection on the island.</p>
	Plan and agree the design of a Community Hub (including consideration of children and family services and a wellbeing centre)	This action will consolidate health and social care community services into one or more 'hubs', allowing for greater collaboration between teams, easier access for service users in an appropriate environment and opportunities for efficiencies through combining common services. Co-locating services will also enable the vacation of properties within the existing States estate, which are no longer suitable for the types of services now being offered and could be released to raise further capital.
	Conclude Footes Lane refurbishment	This action will rebuild the athletics track to include: conversion to 8 lane 400 metre track; installation of infield drainage and artificial grass; maintenance and repair works to the Garenne Stand; and installation of multi-use accessible viewing platform and reconfiguration of toilets

Work Stream	Action Title	Action Description
	Introduce the Care Passport	<p>This action will create a Care Passport for Islanders, establishing their individual entitlement to health and care services. It will explore how it could be linked with existing benefits or new opportunities to encourage individuals to save for their costs of care, in an individual Health Savings Account, a compulsory insurance scheme, or otherwise.</p> <p>For most Islanders at any one time this will be equal to the Universal Offer (see Priority 4), but for others at some stage of their lives, for example pregnant women, or people with specified health conditions, the Care Passport may give them entitlement to additional services or reduce certain costs. Another example would be people with multiple long-term conditions who require a high number of repeat prescriptions who may be entitled to receive an additional States subsidy to bring down the cost of those prescriptions.</p> <p>The Care Passport, once in place, will provide individualised clarity and transparency in respect of the care Islanders are eligible to access. Elements regarding the funding - for example a universal insurance scheme or compulsory insurance scheme – will be considered as part of the primary care action.</p> <p>Resolution 6. Billet d'État XXIV, 2017, A Partnership of Purpose Transforming Bailiwick Health and Care <i>6. To direct the Committee for Health & Social Care to work with:</i> <i>i. the Committee for Employment & Social Security to create a Care Passport for islanders, establishing their individual entitlement to health and care services and to explore how it could be linked with existing benefits or new opportunities to encourage individuals to save for their costs of care, in an individual Health Savings Account, a compulsory insurance scheme, or otherwise;</i></p> <p>A Partnership of Purpose Transforming Bailiwick Health and Care, Billet d'État XXIV, 2017</p>
Enable accessible and affordable 21st Century health and care services	Scope and develop proposals for a funding and delivery model for primary care (including urgent focus on mental health and social prescribing)	<p>This action will design and implement a new funding and delivery model for primary care which is more affordable for the community, encourages integration between primary care and community care and third sector services and is proactive and focused on prevention and early intervention.</p> <p>This action will concentrate on reducing the financial barriers to accessing care, improving information sharing at a population and individual level and improving integrated care pathways. Its immediate focus will be a mental health review and it will also review the current social prescribing pilot.</p> <p>Further action will be required to implement the model agreed by the States at the conclusion of this action.</p>

Work Stream	Action Title	Action Description
	Develop and run an enhanced mental health service pilot	This action will focus on a pilot of further mental health services to help address the impact of COVID-19 on community mental health. This action requires further scoping.
	Commence the Human Tissue and Transplantation Law	<p>This action will deliver the small amount of secondary legislation to be drafted to be able to commence the Human Tissue and Transplantation Law, which was approved by the States in June 2020.</p> <p>The action will also deliver a public information campaign ahead of the Law coming into effect to give residents adequate opportunity to familiarise themselves with the changes to how consent is recognised and where to register their wishes.</p> <p>The Human Tissue and Transplantation (Bailiwick of Guernsey) Law, 2020, Billet d'État XI, 2020</p>
	Implement NICE TA Drugs <ul style="list-style-type: none"> – Tranche 1 – ICER per QALY of up to £30k – Review practical application and next stages 	<p>This action results from a comprehensive review of drug funding policy following a Requête – “Drug Funding” in December 2018 and detailed work carried out on behalf of the Committee <i>for</i> Health & Social Care by Solutions for Public Health (NHS public health consultancy). The Committee <i>for</i> Health & Social Care reported to the States with a Policy Letter setting out the implementation of NICE TA (National Institute for Health and Care Excellence’s Technology Appraisal) drugs in Guernsey on a phased basis (Billet d'État I of 2020), starting with the introduction of drugs and treatments with an incremental cost-effectiveness ratio (ICER) value of up to £30,000 in 2021 (tranche 1). It was agreed by the States that drugs and treatments with an ICER value of up to £40,000 would be introduced in Year 2 (tranche 2). A report back to the States within six months of the end of Year 2 was agreed, this was intended to determine the next stages of work.</p> <p>The introduction of the NICE TA drugs has been slowed by the pandemic. It has been proposed that the timeframe for tranche 1 be extended and the implementation and effectiveness review take place before tranche 2.</p> <p>Review of the Funding of Drugs, Treatments and Devices, Billet d'État I, 2020</p>
	Enable indemnity insurance for health and care providers	Professional indemnity insurance for nurses and other healthcare professionals is often a mandatory requirement and will protect the practitioner against claims arising in respect of medical malpractice, negligence and other civil claims. This action will take necessary legislative measures to ensure that local providers can access insurance in a post-COVID environment.

Work Stream	Action Title	Action Description
	Deliver PEH Modernisation - Phases 1 to 3, including PEH Energy and Pathology and Laboratory services	<p>The 10-year Hospital Modernisation Programme will fundamentally change the way in which acute services are delivered and will mitigate the known increases in demand for acute healthcare, stemming from demographic change. The need to complete this programme is driven by the fact that an ageing demographic will increase the demands and cost of providing secondary healthcare services. These demands have previously been addressed by increasing the use of treatment off-island, but that is a more expensive and inconvenient for service users and, in the medium-to-long term is an unsustainable option. The programme has been broken down into three phases. The PEH Energy Programme is dependent on Hospital Modernisation Programme.</p> <p>Hospital Modernisation Programme, Billet d'État V, 2019</p>
	Extend Long Term Care Scheme to include care at home	<p>This action will extend the long-term care scheme to incorporate care provided at home. This action has significant financial implications if alternative support for the scheme is not identified.</p> <p>Supported Living and Ageing Well Strategy: Extending Life of the Long-Term Care Insurance Scheme, Billet d'État XVI, 2020</p>
	Transfer health benefit operation to the Committee <i>for</i> Health & Social Care	<p>This action concerns the transfer of the health benefit system from the Committee <i>for</i> Employment & Social Security to the Committee <i>for</i> Health and Social Care where it will be delivered on a policy rather than legislative basis.</p>
	Review of end of life care	<p>This action will consider the measures necessary to improve quality of life and health outcomes for all Islanders towards the end of their lives, including: improvements in the provision, availability and/or affordability of community services, primary care, aids and adaptations, and long-term care; greater investment in person-centred care for all who require health and care services on an ongoing basis, and recognition and support for the friends and family who surround them, especially those who have caring responsibilities towards them; and possible developments in end-of-life care, such as increasing the hours of provision of specialist palliative care, the on-island availability of specialist consultants, the provision of counselling and support services, and/or the provision of alternative medication and technologies for pain relief.</p> <p>Resolution 5, Requête – Assisted Dying, Billet d'État XII, 2018</p>

Work Stream	Action Title	Action Description
	Design and implement a scheme for the funding of medical treatment for Guernsey and Alderney Residents travelling in the UK	<p>Development of a scheme for the funding of medical treatment for Guernsey and Alderney residents travelling in the UK, as soon as possible after the period of six months from the lifting of restrictions and warnings on off-island travel in relation to the COVID-19 pandemic.</p> <p>Scheme for the Funding of Medical Treatment for Guernsey and Alderney Residents Travelling in the UK, Billet d'État VII, 2020</p>

PRIORITY 4: RESHAPING GOVERNMENT – ACTION DESCRIPTIONS

Work Stream	Action Title	Action Description
Enable the transformation of public services to meet 21st century requirements	Design and implement 21st Century front-facing public services	This action will transform the delivery of externally facing transactional services, such as over the counter services, and internal business support services. It seeks to provide modernised services for the next generation of customers, who will increasingly expect to connect with the States digitally. It aims address systemic inefficiency by combining the availability of new technology with the capability to re-design services and their supporting processes and manage the transition to a new model of service delivery.
	Design and implement 21st Century strategic services for government	This action will deliver a more integrated structure to support all core activity (i.e. the strategic thinking that drives operations and enabling services). The public service frequently operates in silos, which may impact negatively on the experience of the community, partners and suppliers. A better experience for customers can be achieved by integrating operational functions and how they link to political structures.
	Design and implement 21st Century property and facilities management services across government	This action aims to redesign and improve the operating model for managing States property and facilities.

Work Stream	Action Title	Action Description
	Transform public service IT	In 2019, the States entered a partnership with Agilisys Guernsey Ltd to modernise its technology platforms and IT delivery. The planned IT transformation will continue over this term. This action will provide the States with IT Services “that just work” which will provide a stable, secure and resilient foundation platform for Smart Guernsey (FDS) delivery, Public Service Reform (PSR) and for States staff to work and interact using a modern workplace “Model Office” services.
	Deliver digital transformation of the Royal Court	This action will provide a digital front office for the Courts, allowing multiple engagements to happen digitally, with a corresponding back office for processing these elements. It will allow far safer and more cost-efficient storage of data, along with improved collation of that data and statistics to support government policy, particularly around criminal and social justice matters. The action will also see digital access to Court records provided, greatly enhancing people’s ability to remotely access key information such as records of births, deaths, marriages, conveyances, wills and other key information currently only searchable in hardcopy.
	Carry out public service workforce planning	This action will carry out workforce planning across the organisation, helping to ensure that the public service has the right skills in the right place and supporting the sustainability of ongoing public service delivery.
	Prepare for, plan and deliver the further rationalisation of States property	This action will reduce the number of buildings required by the public service based on the opportunities afforded by smarter working and smarter technology. By reducing the number of buildings used by the States and changing building use, it will free up infrastructure for other more value-adding uses and encourage greater collaboration across the organisation.
	Prepare for, plan and deliver the rationalisation of the Home Affairs Estate	This action will prepare for, plan and deliver suitable, modern facilities to accommodate the Committee <i>for</i> Home Affairs' services to achieve greater efficiency, effectiveness and compliance with regulatory requirements where required. It will address inadequacies and inefficiencies in the current accommodation allocated to Home Affairs' services and mitigate risk such as that identified in continued operational use of facilities now considered out of date, for example the Police Headquarters and custody facilities. The action will also support the transformation of services to a sustainable future operating model and maximise efficient and effective use of assets whilst reducing the risk to acceptable service standards. Significant capital investment is not planned until next term.
Establish Commissioning Infrastructure	Establish a Commissioning Team	This action will establish a centralised commissioning partnership system in the form of a Commissioning Team to realise the future commissioning of public services. This would be an operational function servicing the States’ commissioning objectives. Its responsibilities will include managing commissioning relationships and acting as a single point of contact for the commissioned delivery bodies.

Work Stream	Action Title	Action Description
	Review commissioned services	Once a service is commissioned to an external party it is vital to ensure that it continues to be adequately provided by the external party in a manner that provides the best value for money and outcomes for the community. This action will review commissioned services to ensure they align with the States priorities to be delivered this term (once agreed by the Assembly). Opportunities for commissioning will also be explored across the actions in the Plan and as new policy and service development needs are identified.
	Explore the options for a nature commission	This action will explore among others the concept of a Nature Commission. This recognises that some environmental initiatives, particularly messages about lifestyle choices and behavioural change, could gain more momentum if they were promoted and delivered by civil society, rather than by government (albeit, with the support of experts within the States). It is also an effective means of increasing the resources available to support nature investment, including the initiatives within the Strategy for Nature, by bringing together public, private and voluntary organisations with a common purpose. 2020 Strategy for Nature
Sustain Government Finances	Agree and implement a sustainable taxation policy	The review of the tax system will present options for restructuring the tax base so that it has the capacity to raise sufficient revenues to support the delivery of public services. The review will include consideration of the sustainability of the Guernsey Insurance Fund and Long-term Care Fund. Once the future direction is agreed, this action will also implement the required changes. The Review of the Fiscal Policy Framework and Fiscal Pressures
	Develop enact and implement secondary pensions	The States has approved proposals for the establishment of a secondary pension policy. This action will create and implement a requirement for occupational pensions to be offered to most employed people. Secondary Pensions: Detailed Proposals for the Introduction of Automatic Enrolment into Private Pensions and the Establishment of "Your Island Pension"
	Introduce the new governance model for the Seized Asset Fund	This action will update the governance and operation of the Seized Asset Fund, putting the Fund on a statutory footing and providing the Policy & Resources Committee with the authority to approve the use of assets in the Fund for initiatives aligned with its purpose. The Fund is intended to support initiatives which will improve the performance of the criminal justice system, help reduce crime and repair the damage caused by crime. The Future Governance and Operation of the Seized Asset Fund

Work Stream	Action Title	Action Description
	Establish the Dormant Accounts Fund	<p>This action will introduce a Law which will require the transfer of balances in dormant bank accounts from banks in the Bailiwick to a statutory central fund called the Bailiwick Dormant Accounts Fund. Monies contained within the Fund will then be made available for good causes throughout the Bailiwick.</p> <p>Use of Money in Dormant Accounts</p>
	Implement International Public Sector Accounting Standards	<p>International Public Sector Accounting Standards (IPSAS) are a set of accounting standards issued by the IPSAS Board for use by public sector entities around the world in the preparation of financial statements. This action will ensure the States' accounts are prepared and presented in line with IPSAS. It will require substantial business change to ensure that the States as an organisation, and its processes, are able to adapt to produce the information required.</p>
	Define the universal health offering	<p>This action will produce a schedule of primary, secondary and tertiary health and cares services that will be publicly available as the universal offer, either fully subsidised or at an agreed rate. Funding of health and care will be organised to support the universal offer.</p> <p>A Partnership of Purpose: Transforming Bailiwick Health and Care</p>
	Deliver the Revenue Service Target Operating Model and associated IT replacement	<p>This action will complete the transformation of income tax and contributions services into a single integrated service, the Revenue Service, supported by new, modern and flexible IT systems.</p> <p>Transforming Income Tax and Contributions Services - The Final Phase of the Revenue Service Programme</p>
	Provide for equity release mortgages in Guernsey	<p>An equity release mortgage (also known as lifetime mortgage) allows homeowners to access the value (equity) tied up in their home whilst retaining ownership by borrowing against the security of their property. The loan amount and interest accrued are paid back when the property is sold when the homeowner(s) dies. This may now be increasingly important given the current state of the housing market to enable parents to help their children onto the property ladder without having to leave their home. This action will prepare the necessary legislation to enable equity release mortgages in Guernsey.</p> <p>States of Guernsey Annual Budget for 2020</p>
Maintain and strengthen	Strengthen the relationship between Guernsey and Sark	<p>Guernsey has a long-standing relationship with Sark. This action will seek opportunities for closer working to meet the challenges faced by the islands, while retaining the elements that make each island unique.</p>

Work Stream	Action Title	Action Description
Bailiwick relationships	Strengthen the relationship between Guernsey and Alderney	This action will build on the existing the relationship between Guernsey and Alderney. Initial work has focused on a review of services, administration and policy development and provided by the States of Alderney, and how the States of Guernsey can work with Alderney to better support those services to improve efficiency and remove duplication.
Secure Necessary Evidence Base	Implement/maintain minimum necessary measures to monitor the impact of government work	This action aims to ensure that the necessary evidence base is in place to support operational and policy improvement. This will require review of the current data gathering practices, resources and technologies to ensure that the organisation and the wider island can use government data effectively and any gaps in necessary data are identified.
Maintain Essential Infrastructure and Systems	Replace the bus fleet – complete phases 1 and 2 and commence phase 3	This action is a three-phase programme to replace the existing ageing fleet, ensure continuation of contracted service provision, and improve the quality and reliability of service, reduce emissions and provide enhanced accessibility and comfort for passengers. Bus Fleet Replacement Programme – Phases 2 and 3
	Replace the cremator	Guernsey's only crematorium is owned and operated by the States of Guernsey. This action completes plans to install a new cremator at Le Foulon and replace emissions equipment. Work was delayed due to COVID-19. Replacement Cremator and Emissions Equipment
	Replace the Electronic Patient Record System	This action will replace the current Electronic Patient Record System used in health and care services with a system which is under contracted support, available on appropriate commercial terms and capable of supporting the policy direction described in the Partnership of Purpose. Urgent Capital Bid – Replacement of the Electronic Patient Record System
	Replace St. Sampson's fire main pump	This action will complete the essential replacement of the St. Sampson's fire main pump due to a leak. COVID-19 restrictions delayed work as the supplier had difficulty obtaining machinery and parts required for the installation.
	Replace Virtual Machine Environment (VME)	This action will complete the replacement of the Fujitsu's VME Operating System and associated applications to hold the core Revenue Service tax and contribution data due to a product no longer being licenced as at end December 2020.
	Replace radiology equipment	This action will complete the installation of replacement radiology equipment at the Princess Elizabeth Hospital.
	Provide Tetra PSN	This action will complete the implementation of a TETRA (TERrestrial Trunked RAdio) public safety network (PSN) to enable emergency services to communicate across unified networks.

Work Stream	Action Title	Action Description
	Implement a solution for clinical and animal waste	Currently clinical waste and slaughterhouse and animal waste are incinerated at separate sites by separate staff. This action aims to define and implement the most suitable scheme to manage these waste streams. Existing plant for both waste streams is at the end of its useful life and will need to be replaced with new, fit for purpose equipment.
	Complete Alderney Airport pavement rehabilitation	The existing airfield pavements in Alderney were laid in 1999 and are nearing the end of their serviceable life. This action will provide the replacement infrastructure necessary to maintain a serviceable airport. Alderney Airport Runway Rehabilitation
	Replace Guernsey Registry IT systems	This action will replace the Registry IT systems in order to ensure that Guernsey can continue to meet the Financial Action Task Force (FATF) requirements. This will support a number of the Priority 2 actions to be achieved.
	Carry out necessary SAP updates	This action will seek to update the SAP system (System Applications and Products in Data Processing) used across the States to ensure it remains capable of supporting the organisation as requirements change.
	Reinstate Mont Crevelt Breakwater	This action will reinstate the boundary wall to enable the completion of Longue Hougue Reclamation Site, it needs to be reinstated to its previous form as it is within a designated conservation area. The site will form a future land resource for the Island.
	Implement an online passport system	The Bailiwick is an issuing authority for British passports and is not an issuing state. The States have indicated that an Island variant passport is one of the key instruments to establishing and retaining Bailiwick identity and autonomy in the global community. By progressing this action, the Bailiwick will retain the ability to process and issue island variant passports in the future, by replacing the current system which exists on a non-supported platform nearing the end of its life and moves the Bailiwick into HM Passport Offices new fully digital environment.
	Deliver the future inert waste facility	The current inert waste facility is nearing the end of life. This action will deliver the future facility which is urgently required for the continuation and growth of construction and related industries.
	Repair Havelet slipway	This action will repair Havelet slipway which has been closed since late 2018.
	Repair/replace Castle Emplacement Bridge	The condition of the Castle Emplacement Bridge is deteriorating rapidly, without action there will cease to be access to Castle Cornet. This action will repair or replace the Bridge to maintain access.
	Repair Fermain wall	The wall at Fermain failed in 2014. This action will replace the failed and disconnected section of the wall with a new structure in line with modern engineering standards.

Work Stream	Action Title	Action Description
	Deliver further coastal flood defences	<p>Climate change driven sea level rise is occurring globally. This action is aimed at adapting to the increased water levels and preventing the loss/damage of property and land. The programme of work covers nine key areas of coastal defence in the island. The highest priority areas will be addressed first, with work to support St. Sampsons included in the Bridge Strategy and key repairs and replacements planned for the current term.</p> <p>Coastal defence flood studies</p>
	Refurbish Castle Cornet	This action aims to bring the visitor attractions within the Castle up to a standard expected of the 21st Century with new museums and modern technology that improves the visitor experience, whilst also addressing issues with parts of the infrastructure and improving disabled access.
	Deliver the future Guernsey Dairy	<p>The action relates to the development of a new dairy. The current 'preferred way forward' in relation to which, is a new dairy on a new site.</p> <p>The Future Guernsey Dairy Project</p>
	Purchase and install an additional MRI scanner	Demand for MRI continues to increase, increasing operating hours for current equipment can only go so far. This action will deliver an additional scanner to continue to meet MRI demand and allow some more specialised scans to be done on island.
	Replace CCTV systems	This action will maintain multi-agency CCTV capability across the States to meet current and future demands of crime prevention and detection to ensure community safety and enhance security.
	Purchase a replacement Sea Fisheries vessel	<p>This action will purchase a new fisheries protection vessel to replace the Leopardess which is in its 23rd year of service.</p> <p>Purchase of a replacement sea fisheries vessel</p>
	Deliver the HSC Digital Roadmap	<p>This action is a programme of inter-related investments in the IT utilised in the delivery of health and social care. It incorporates investments in software where HSC's IT estate is falling significantly behind UK good practice, where elements of the estate are coming to end of life, investment in end-user devices and investment in software and technology to support the wider vision of the Partnership of Purpose.</p> <p>A Partnership of Purpose Transforming Bailiwick Health and Care, Billet d'État XXIV, 2017</p>

Work Stream	Action Title	Action Description
Enhance the operation of government	Secure changes to Royal Assent	Primary legislation passed in Guernsey, Alderney and Sark currently requires Royal Assent from the Privy Council in the UK before becoming Law. In order to provide greater flexibility on timing and more accurately reflect the constitutional relationship between the jurisdictions, this action seeks to establish a system which will allow certain items to be granted Royal Assent by the Lieutenant-Governor on-island.
	Identify options to independently determine States Members and Non-States Members remuneration	This action will review States Members and Non-States Members pay to ensure that the system of remuneration properly reflects the nature of the roles.
	Review how government works to meet Islanders needs	This action will review the structure of the States to ensure the operation of the legislature and government works better for Islanders.
	Automate the electoral roll	To simplify the election process and encourage as many voters as possible, this action will explore the possibility of introducing an automated electoral roll. The automated roll would use information from other public service interactions to simplify registration requirements ahead of the next general election.
	Introduce simultaneous electronic voting in the assembly	This action will introduce electronic voting technology in the Chamber. States Members will be able to use this technology to simultaneously cast votes in debate.

ANNEX 2: SUMMARY OF ACTIONS HELD IN ABEYANCE

Excluding some planning and development work for the capital actions, the actions listed below are not expected to progress this term.

Where significant policy, preparation and planning activity is expected for capital actions, these actions have been included in the GWP action list for this term. Some of these actions, however, may be listed as 'pipeline' actions in the funding and investment proposals as they are not expected to have significant funding requirements this term. This list, therefore, does not exactly match the pipeline list of capital actions which reflects when the substantial funding requirements are expected.

This list is not intended as a comprehensive list of actions for the next term.

Priority 3

Area of Focus	Action Title
Sustainable Economic Recovery	Green Economy – Complete natural capital account and atlas
	Green Economy – Develop and transition to biodiversity net gain
	Develop a Green Economy Supporting Plan
Connectivity & Infrastructure	Licensing framework and regulation of utilities
	Finalise remaining On-Island Integrated Transport legislation amendments
	Provide for parking permits for residential on-street parking
Community Investment	Implement the Education Law
	Review the delivery of primary education
	Introduce the Discrimination Ordinance – Phase 2 (B) – Equal pay for work of equal value
	Introduce the care passport
	Design and implement a scheme for the Funding of Medical Treatment for Guernsey and Alderney Residents Travelling in the UK
	Review end-of-life care

Priority 4

Area of Focus	Action Title
Long-term Sustainability	Deliver further coastal flood defences
	Refurbish Castle Cornet
	Deliver the future Guernsey Dairy
	Purchase and install an additional MRI scanner
	Replace CCTV systems
	Purchase a replacement Sea Fisheries vessel
	Plan and deliver the HSC Digital Roadmap

ANNEX 3: GOVERNMENT WORK PLAN GOVERNANCE PROPOSALS

Governance Principles

- The Assembly is ultimately accountable for government policy and Guernsey/Bailiwick legislation;
- Not every workstream will require a governance board, it will depend on if a governance structure already exists or not;
- Groups will be tailored to particular workstream circumstances for example include external representation where applicable to support the group's Terms of Reference;
- All groups must:
 - be established from existing resources;
 - draw on representation from community partnerships, where relevant; and
 - make most effective use of existing capacity drawing on core functions such as IT, Finance, Procurement and HR as and when needed unless a substantial part of progressing the action.
- How reporting feeds into the governance boards should be consistent to be most effective; and
- Committees will need to support the reporting of the workstreams to the governance boards by sharing relevant information.

Constitution

Governance groups should be suitably sized to ensure effectiveness:

- maximum of three political representatives;
- maximum four officers including the Senior Responsible Officer (SRO), Workstream lead and supporting officer; and
- Subject Matter Experts (SMEs) and other advisors will attend meetings as required.

Delivery principles

Governance should align to the Plan's delivery principles:

- Work together – No working in silos or having Committee/Officer turf battles
- Partnerships – Partner appropriately to re-shape government;
- Take action – Quick, decisive and visible action;
- Synergise – Deliver maximum impact and value for money;
- Be agile – Adapt swiftly to evolving threats and embrace new opportunities;
- Be responsible – Shared management of resources;
- Stay informed – Collective understanding of data, context and opinion; and
- Accept risk – Operate at an acceptable level of political and officer risk with streamlined governance.

Roles and responsibilities of political governance

Terms of Reference (ToR) will be developed setting out responsibilities to:

- monitor, assure and report on progress using the agree monitoring and reporting framework agreed by the Assembly (that will be aligned to any organisational reporting established through the organisation's redesign);
- support the annual reporting of the Plan and regular reporting to the Policy & Resources Committee, and any other forums such as the Presidents' Meetings;
- support integrated policy development, notwithstanding that policy decisions will continue to be made as necessary by Committees, in line with their mandated responsibilities; and
- only make policy decisions where specifically set out in the Terms of Reference, only if it provides flexibility and assist delivery of the workstreams.

ANNEX 4: PRIORITY 3 RECOVERY ACTIONS MONITORING FRAMEWORK

Table 4.1 –Priority 3: Deliver the recovery actions – strategic alignment

This table shows the strategic alignment of the Recovery Areas of Focus and Workstreams to the Government Work Plan Outcomes and the most relevant Government Work Plan (GWP) and United Nations Sustainable Development Goals.

PRIORITY 3: RECOVERY ACTIONS		STRATEGIC ALIGNMENT	
Areas of Focus	Workstreams	Government Work Plan Outcomes	United Nations Sustainable Development Goals
Sustainable Economic Recovery	Invest in the visitor economy	Sustained employment and enhanced matching of skills Cultivate our local arts, culture and heritage	Goal 8: Decent Work and Economic Growth Goal 14: Life Below Water
	Invest in the finance sector	Inclusive and sustainable economic growth and greater productivity A resilient essential workforce Greater innovation and creativity in existing and new sectors	Goal 8: Decent Work and Economic Growth Goal 9: Industry, Innovation and Infrastructure
	Unlock enterprise	Inclusive and sustainable economic growth and greater productivity Greater innovation and creativity in existing and new sectors More environmentally sustainable production, consumption and management of resources	Goal 8: Decent Work and Economic Growth Goal 9: Industry, Innovation and Infrastructure Goal 12: Responsible Consumption and Production

PRIORITY 3: RECOVERY ACTIONS		STRATEGIC ALIGNMENT	
Areas of Focus	Workstreams	Government Work Plan Outcomes	United Nations Sustainable Development Goals
	Invest in nature and the natural economy	<p>Inclusive and sustainable economic growth and greater productivity</p> <p>More environmentally sustainable production, consumption and management of resources</p> <p>Nurture nature and realise its value</p>	<p>Goal 8: Decent Work and Economic Growth</p> <p>Goal 9: Industry, Innovation and Infrastructure</p> <p>Goal 12: Responsible Consumption and Production</p> <p>Goal 14: Life Below Water</p> <p>Goal 15: Life on Land</p>
	Accelerate the digital economy	<p>Sustained employment and enhanced matching of skills</p> <p>Inclusive and sustainable economic growth and greater productivity</p>	<p>Goal 8: Decent Work and Economic Growth</p> <p>Goal 9: Industry, Innovation and Infrastructure</p>
Connectivity and Infrastructure	Enable opportunities for regeneration	<p>Greater innovation and creativity in existing and new sectors</p> <p>Resilient and sustainable infrastructure and connectivity</p> <p>Effective community partnerships and increased civic participation</p>	<p>Goal 9: Industry, Innovation and Infrastructure</p> <p>Goal 11: Sustainable Cities and Communities</p> <p>Goal 17: Partnerships</p>

PRIORITY 3: RECOVERY ACTIONS		STRATEGIC ALIGNMENT	
Areas of Focus	Workstreams	Government Work Plan Outcomes	United Nations Sustainable Development Goals
	Secure future energy requirements	<p>Access to affordable, reliable and clean energy for all</p> <p>Resilient and sustainable infrastructure and connectivity</p> <p>More environmentally sustainable production, consumption and management of resources</p> <p>Nurture nature and realise its value</p>	<p>Goal 7: Affordable and Clean Energy</p> <p>Goal 9: Industry, Innovation and Infrastructure</p> <p>Goal 12: Responsible Consumption and Production</p> <p>Goal 13: Climate Action</p>
	Secure transport connectivity and infrastructure	<p>Resilient and sustainable infrastructure and connectivity</p>	<p>Goal 9: Industry, Innovation and Infrastructure</p> <p>Goal 11: Sustainable Cities and Communities</p>
Community Investment	Keep the island safe and secure	<p>Young people can achieve their potential</p> <p>A more cohesive and equal society</p> <p>Needs are met, and people are safe and secure</p> <p>Effective community partnerships and increased civic participation</p>	<p>Goal 5: Gender Equality</p> <p>Goal 8: Decent Work and Economic Growth</p> <p>Goal 10: Reduced Inequalities</p> <p>Goal 16: Peace, Justice and Strong Institutions</p> <p>Goal 17: Partnerships for the Goals</p>

PRIORITY 3: RECOVERY ACTIONS		STRATEGIC ALIGNMENT	
Areas of Focus	Workstreams	Government Work Plan Outcomes	United Nations Sustainable Development Goals
	Promote responsive population measures	<p>Sustained employment and enhanced matching of skills</p> <p>A resilient essential workforce</p> <p>A more cohesive and equal society</p>	<p>Goal 8: Decent Work and Economic Growth</p> <p>Goal 10: Reduced Inequalities</p>
	Support healthy living	<p>Needs are met, and people are safe and secure</p> <p>Physical health is protected</p> <p>Mental health and wellbeing are protected</p> <p>A resilient essential workforce</p> <p>Healthier lifestyles</p> <p>Effective community partnerships and increased civic participation</p>	<p>Goal 1: End Poverty</p> <p>Goal 2: Zero Hunger</p> <p>Goal 3: Good Health and Wellbeing</p> <p>Goal 8: Decent Work and Economic Growth</p> <p>Goal 17: Partnerships for the Goals</p>
	Enable accessible and affordable 21st century health and care services	<p>Needs are met, and people are safe and secure</p> <p>Physical health is protected</p> <p>Mental health and wellbeing are protected</p> <p>Effective community partnerships and increased civic participation</p>	<p>Goal 1: End Poverty</p> <p>Goal 3: Good Health and Wellbeing</p> <p>Goal 17: Partnerships for the Goals</p>

PRIORITY 3: RECOVERY ACTIONS		STRATEGIC ALIGNMENT	
Areas of Focus	Workstreams	Government Work Plan Outcomes	United Nations Sustainable Development Goals
	Meet housing needs	Needs are met, and people are safe and secure More environmentally sustainable production, consumption and management of resources Resilient and sustainable infrastructure and connectivity	Goal 1: End Poverty Goal 9: Industry, Innovation and Infrastructure Goal 11: Sustainable Cities and Communities
	Promote education, skills and learning	Sustained employment and enhanced matching of skills A resilient essential workforce Young people can achieve their potential	Goal 4: Quality Education, Lifelong Learning Goal 8: Decent Work and Economic Growth Goal 10: Reduced Inequalities

Table 4.2 Priority 3: Delivering the recovery actions - monitoring framework workstream targets and measures

This monitoring framework sets out the approach that could be used to monitor the entire Plan but focuses on the Recovery Actions specifically. It draws from existing data sources including the OCED Better Life and Well-being Index¹ and aligns where possible the UN's Sustainable Development Goals (UNSDG)².

Areas of Focus	Workstream	Targets ³	Measures	Source	Frequency	Baseline	UNSDG target/s aligned to ⁴
Sustainable Economy	Invest in the visitor economy	To be determined through the update to the tourism plan. Indicatively these targets will include: - Increased visitor spend - 2019 data collected in the new Guernsey Visitor Spend Survey Report, noting an average of £554 per visitor and total estimated spend of £114m between April and September 2019. - Increased occupancy rates - Increased length of stay.					8.9, 11.4, 14.7
	Invest in the finance sector	UNSDG 8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum	8.1.1 Annual growth rate of GDP per capita	Guernsey Annual GVA and GDP Bulletin	Annually	£51,868 per capita (2019 first estimate)	

¹ [OCED Better Life Indicators](#)

² [UNSDG](#)

³ Where viable UNSDG targets and measures have been included in the framework.

⁴ Includes the closest UNSDG target to the work proposed. It is not to be used as a target at this point, as further work is needed to determine the relevant targets and/or measures for the workstream.

Areas of Focus	Workstream	Targets ³	Measures	Source	Frequency	Baseline	UNSDG target/s aligned to ⁴
		in the least developed countries					
		% growth in GVA in this sector	% annual change in GVA in this sector	Guernsey Annual GVA and GDP Bulletin	Annually	£1,280m (2019 first estimate)	8.10, 9.3
	Unlock enterprise	UNSDG 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	8.2.1 Annual growth rate of GDP per employed person	Guernsey Annual GVA and GDP Bulletin	Annually	£98,632 (2019 first estimate)	
	Invest in nature and the natural economy	UNSDG 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all	9.4.1 CO2 emission per unit of value added	Guernsey Annual GVA and GDP Bulletin	Annually	401.7 kilotonnes (kt) CO2 (2018) / £3,099m GVA (2018) = 0.13 tonnes of CO2 per £1,000 of GVA	

Areas of Focus	Workstream	Targets ³	Measures	Source	Frequency	Baseline	UNSDG target/s aligned to ⁴
		countries taking action in accordance with their respective capabilities					
		Further targets, measures and baselines are to be determined and informed by the enabling actions proposed in the Plan for example by the marine habitat mapping and natural capital database.					
	Accelerate the digital economy	Households with broadband access	Percentage of households with access to broadband	OCED Better Life Indices	Annually	98% (2019)	8.2, 8.3, 9.1, 9.2
		% of households and premises connected to broadband by fibre	A measure relating to fibre broadband to homes to be determined through the provider agreement				
		Targets and measures to determine growth in the sector to be determined					
Connectivity and Infrastructure	Enable opportunities for regeneration	Specific targets and measures for regeneration to be determined					9.2
		UNSDG 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all	9.4.1 CO2 emission per unit of (economic) value added	1. Guernsey Annual Greenhouse Gas Bulletin + Guernsey Annual GVA and GDP Bulletin	Annually	401.7kt CO2 (2018) / £3,099m GVA (2018) = 0.13 tonnes of CO2 per £1,000 of GVA	

Areas of Focus	Workstream	Targets ³	Measures	Source	Frequency	Baseline	UNSDG target/s aligned to ⁴
		countries taking action in accordance with their respective capabilities					
		UNSDG 11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries	11.3.1 Ratio of land consumption rate to population growth rate	1. Facts and Figures 2. Quarterly Population, Employment and Earnings Bulletin	Annually	7,732,328m2 developed land (2020) / 63,155 population (Q1 2020) = 122m2 of developed land per person	
	Secure future energy requirements	Specific targets and measure/s to be determined through the update to the Electricity Strategy action					7.1. 7.2 7.3, 7.a, 9.1, 9.4, 12.2
		Specific local targets to be determined	% of renewable energy share in the total final energy consumption	Facts and Figures	Annually	12% of total energy (2019)	7.2, 9.4, 12.2
		UNSDG 13.2 Integrate climate change measures into national policies, strategies and planning	13.2.2 Total greenhouse gas emissions per year	Guernsey Annual Greenhouse Gas Bulletin	Annually	401.7kt CO2 (2019)	

Areas of Focus	Workstream	Targets ³	Measures	Source	Frequency	Baseline	UNSDG target/s aligned to ⁴
	Secure transport connectivity and infrastructure	UNSDG 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all	9.1.2 Passenger and freight volumes, by mode of transport	Facts and Figures	Annually	1,168,534 passenger movements (73.4% by air; 26.6% by sea) 317,003 tonnes of freight imported (99% by sea, 1% by air; 2019)	
Community Investment	Keep the Island safe and secure	It is expected that local targets will be along the lines of: <ul style="list-style-type: none"> •Reduced levels of perceived discrimination. •Reduced levels of reported prejudice. •Improvements in proportion of people who feel they have experienced discrimination taking action to address situation (including informally). 	To be determined through the in development Attitude Survey funded through the agreed Discrimination Ordinance funding, which will be comparable to UK data for benchmarking.	Attitudes survey (2021)	Every 8 years - every other political term - tbc	TBC	5.1, 5.2, 5.c, 8.5, 10.3

Areas of Focus	Workstream	Targets ³	Measures	Source	Frequency	Baseline	UNSDG target/s aligned to ⁴
		Domestic Abuse: To be determined through the review of the Domestic Abuse Strategy					TBC
		UNSDG 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	Relevant local measure to be determined	It is expected that this is possible through a new calculation with the exception of disabilities. Further consideration is needed and will be reported back in 2022.			
		Justice: To be determined through the development of the justice framework action					TBC
	Enable responsive population changes	Population and Immigration: To be determined and informed by the related actions within this workstream					TBC
	Support healthy living ⁵	UNSDG 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	1.2.1 Proportion of population living below the national poverty line, by sex and age Using 'People on <60%	Guernsey Indicators of Poverty Report	Annually	21.9% (2018)	

⁵ Awaiting input from Public Health

Areas of Focus	Workstream	Targets ³	Measures	Source	Frequency	Baseline	UNSDG target/s aligned to ⁴
			median household income'				
		Reduction in long term unemployment	Long term unemployment rate (% of workforce)	OCED Better Life Indices	Annually	0.13% (2019)	1.2, 10.2
	Enable accessible and affordable 21st century health and care services	Improvement in self-reported health	% increase reporting 'Good' or 'Very good' health	Guernsey and Alderney Wellbeing Survey OCED Better Life Indices	Every 5 years	76% Good or Very good (2018)	
		Targets and measures to be determined with Public Health.					3.4, 3.8
		Reduction in those the % of the population receiving invalidity / severe disability benefit	Proportion of population receiving invalidity/severe disability benefit	Guernsey Indicators of Poverty Report	Annually	2.4% (2019)	1.2, 3.8, 8.5

Areas of Focus	Workstream	Targets ³	Measures	Source	Frequency	Baseline	UNSDG target/s aligned to ⁴
		Improvement in the comparison	Comparison of number of doctor/nurse appointments for those in receipt of Income Support compared with those not in receipt of the benefit	Guernsey Indicators of Poverty Report	Annually	Ratio of 1.4 (2019)	1.2, 3.8
	Meet housing needs	Targets for the short and medium term to be determined through the actions under this workstream that are expected to include: - Improvements in affordability of housing in Guernsey - Meet the Island's identified housing requirements as set by the States Strategic Housing Indicator, later in 2021	Housing expenditure as a % of disposable income	OCED Better Life Indices	Annually	24% (2018)	11.1, others tbc
			To be determined through the policy decision made by the Assembly on the States Strategic Housing Indicator but could include: - Sufficient supply of land available through the Island Development Plan that is suitable for housing development to ensure that additional units of accommodation can be developed to meet the States Strategic Housing Indicator; and - A maintained minimum 2-year supply of planning permissions for housing development within the 'pipeline' that are able to				

Areas of Focus	Workstream	Targets ³	Measures	Source	Frequency	Baseline	UNSDG target/s aligned to ⁴
			come forward for development at any one time to meet the States Strategic Housing Indicator				
	Promote education and skills development and learning	Reduce the long term unemployment rate	Long term unemployment rate (% of workforce)	OCED Better Life Indices	Annually	0.13% (2019)	1.2, 10.2
		Targets and measures to be determined as part of the education and skills policy development work under this workstream					4.1, 4.3, 4.4, 4.5, 4.6, 4.7, 4.a
		Reduce the proportion of youth not in employment, education or training	Proportion of youth (aged 15–19, and 20–24 years) not in education, employment or training	1. Quarterly Population, Employment and Earnings Bulletin 2. Facts and Figures	Annually	1. 10.1% (15-19 ages); 17% (20-24 ages) (2020); 2. 14.1% (15-19 ages); 13.4% (20-24 ages) (2019)	8.6

ANNEX 5: FUNDING AND INVESTMENT PLAN

FUNDING & INVESTMENT PLAN

1. Executive Summary

- 1.1 This is an unashamedly numbers-based report that proposes the financial plan for this term of government. It is an integral part of the Government Work Plan (GWP) setting out the financial planning framework within which the States will operate and resource.
- 1.2 All aspects of income and expenditure have been considered including business as usual, previous policy decisions and service developments, Brexit, COVID-19, recovery actions and capital investment.
- 1.3 The process of building this financial plan has been thorough. It includes everything known at the time of preparation and makes best estimates using informed assumptions. However, it is not a firm plan of what will happen over the period. A section on sensitivity analysis explores the effects changes to key variables may have on the financial projections, helping to highlight the risk associated with some of the assumptions used. This is particularly important given current conditions and the exceptional volatility in public finances seen over the last two years.
- 1.4 Although significantly impacted by COVID-19, Guernsey's current economic position is enviable. However, recent events have demonstrated that, as a small and open economy, we remain exposed to external factors over which we have very limited control. Government finances are extremely susceptible to the ups and downs of the economic environment and the impact of changes in key economic assumptions on the financial projections is also highlighted in the sensitivity section.
- 1.5 COVID-19 and Brexit have presented significant financial challenges in the recent past, but there are other pressures that have a more profound and lasting impact on our finances such as the implementation of NICE TAs in 2021, underlying health service cost pressures and other growing service demands due to an ageing population and increase in chronic illness. These other pressures are providing a real challenge in the short, medium and long-term, resulting in very little general

revenue surplus to be invested in capital or other activity not covered by current committee¹⁶ budgets.

- 1.6 Current Reserves are being depleted and are insufficient to fund the GWP while maintaining a basic level of contingency in the General Revenue Reserve to provide some degree of financial security in these uncertain times. In addition, the balance of the Core Investment Reserve, the States of Guernsey's long-term reserve, is currently only 35% of General Revenue Income, the target being 100%. We are benefitting from the cautious approach of previous States in building up our reserves. However, COVID-19 and the additional expenditure it has necessitated has exposed how quickly these savings can be depleted. Financial prudence would suggest we seek to address this and increase our reserves as soon as practicable.
- 1.7 Finances are now a limiting factor if we continue to work with the cautious approach seen in the past. The 2020 and 2021 financial positions were sustained by removing the allocation to capital investment, but this is not a sustainable approach and funding investment in infrastructure and systems should not be seen as optional. There has previously been an underinvestment in critical national and economic infrastructure, but capital investment now is vital if we want to achieve the ambition set out in the GWP. Investment in the short, medium and long-term future of the community and our economy is essential if we want to build resilience and foster growth.
- 1.8 This is the time to deliberate on a different approach to public finances and consider borrowing money to invest in our island's future. The Policy & Resources Committee is setting out a recommendation that is affordable in the medium term to utilise existing financial assets and borrow a further £200m to invest in our infrastructure, improve our financial resilience and boost economic recovery and expansion. The Policy & Resources Committee does not make this proposal lightly, but the alternative is simply not in the best interest of our community. The Committee will seek to only borrow what is required to fund capital investment and would look for the most cost effective and low risk debt option to deliver on the ambition of the States and ensure financial security over the medium term.

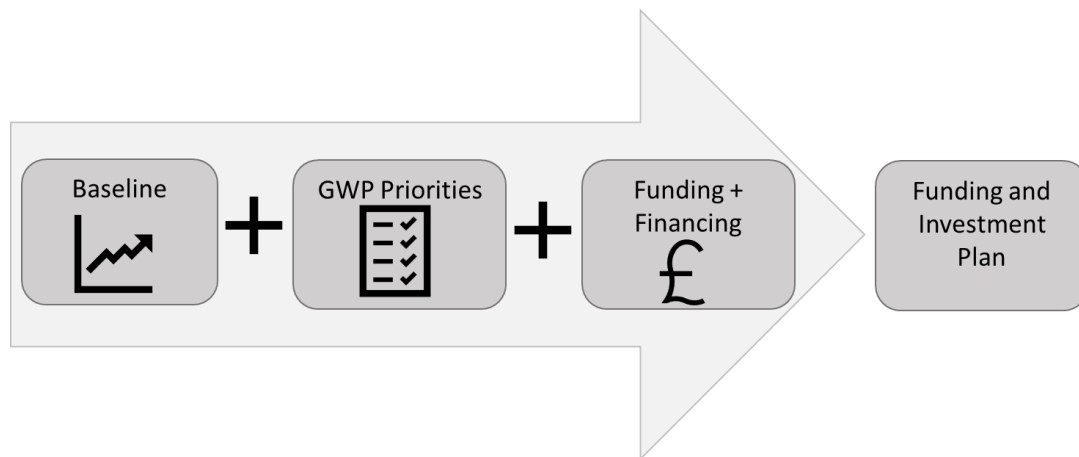
¹⁶ For the purposes of this Report, the term 'Committee' includes the seven Principal Committees (Policy & Resources Committee; Committee for Economic Development; Committee for Education, Sport & Culture; Committee for Employment & Social Security; Committee for the Environment & Infrastructure; Committee for Health & Social Care; and Committee for Home Affairs) plus the following that are also allocated General Revenue Cash Limits: Development & Planning Authority, Overseas Aid & Development Commission, States' Trading Supervisory Board, Scrutiny Management Committee, Corporate Services; Pooled Budgets, Royal Court, Law Officers and States of Alderney.

- 1.9 This is a five-year medium-term plan, but the Policy & Resources Committee is acutely aware that the approach set out is not sustainable in the long-term. The proposal to borrow, in addition to the usual utilisation of reserves to support the capital requirements over the current term, is intended to enable the immediate progression of the States' priorities. However, this is a temporary solution only and a way of managing and not removing the underlying structural deficit. Without further action, beyond 2025 the States will again have to consider how best to support their spending requirements in the face of the same pressure to provide for the increased demand for existing services and maintain an appropriate level of capital investment. Reserves will have been depleted with only very limited surpluses being generated to top them up. A longer-term solution is required, and the provision of that solution will span the consideration of expenditure (covered within the States' priority 4 – reshaping government), economic growth (included within the recovery actions of the GWP) and raising additional revenues (with proposals from the Tax Review due to be considered by the States in September). All three elements will be required to achieve a sustainable solution within the principles of the Fiscal Policy Framework.

2. Introduction

- 2.1 This document presents the 5-year Funding & Investment Plan for the States that includes the financial impacts of all work prioritised as part of the Government Work Plan (GWP) and considers potential funding and financing options. The aim is to provide a financial framework for the next five years within which the States can operate. It does not replace the annual budgeting cycle through which budgets will finally be allocated or substitute the need for detailed investment appraisals to ascertain value for money and other investment benefits ahead of funding approvals.
- 2.2 A baseline exercise laid the foundation for this plan, which uses common assumptions to forecast general revenue income and expenditure for the next five years. It assumes current services continue as they are and only those service developments and policy decisions approved by the States and planned for implementation within this timeframe are included. Financial projections for the States Trading Assets and the Social Security Funds have also been included. Full baseline assumptions are detailed in Appendix 11.2.
- 2.3 The second stage of work was to include the financial implications of the four main priorities of government, namely:
- Responding to the COVID-19 pandemic

- Managing the effects of Brexit and meeting international standards
 - Delivering recovery actions
 - Re-shaping government
- 2.4 A capital prioritisation exercise linked to the priorities of the GWP has been undertaken resulting in a recommended capital portfolio. This has been included along with unfinished schemes from the existing portfolio. Financial estimates for both the capital and revenue implications of these schemes have been made and are included in the financial projections.
- 2.5 A section on sensitivity analysis explores the effect changes to key variables may have on the projected financials, which helps to understand the risk associated with some of the modelling assumptions used.
- 2.6 Recommendations on how government may be able to fund and finance the work prioritised for the next five years are detailed in section 7.
- 2.7 Finally, key risks and opportunities to the Plan are explored in section 10.



3. ECONOMIC OUTLOOK

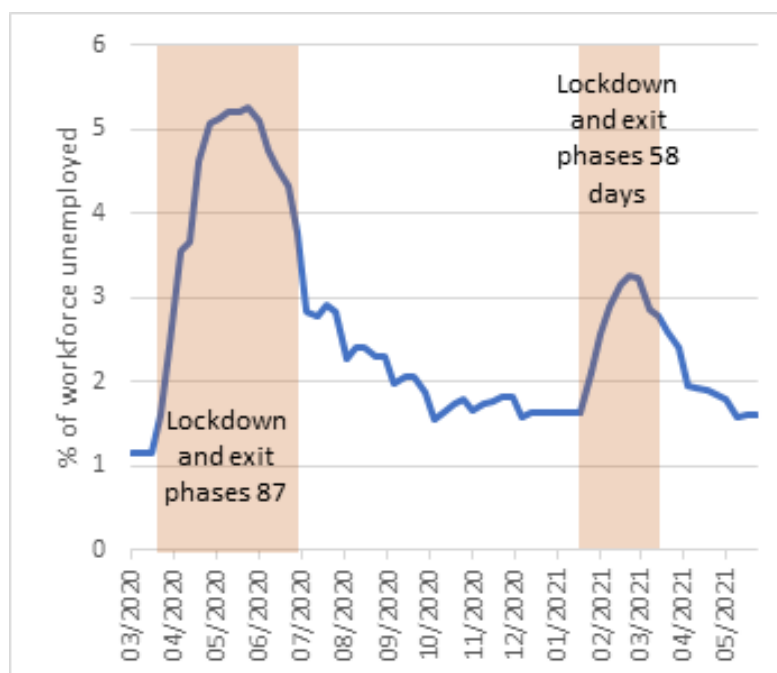
- 3.1 Globally, COVID-19 has brought about a once in a generation level of economic stress. In its April 2021 report the International Monetary Fund (IMF) describes the global economic contraction in 2020 as “unprecedented in living memory in its speed and synchronised nature”¹⁷. Despite an estimated 3.3% fall in global GDP in

¹⁷ [World Economic Outlook, April 2021: Managing Divergent Recoveries \(imf.org\)](https://www.imf.org/en/Publications/WEO/Issues/2021/04/06/w2104)

2020 (4.7% in advanced economies) the IMF estimates that without the exceptional level of policy support provided by governments around the world, this contraction could have been as much as three times as large.

- 3.2 In this context Guernsey's economic performance during 2020, with the latest forecasts placing the contraction in GDP at between 3 and 5%¹⁸, has been better than might have been expected. Guernsey ended 2020 in a far better position than had been forecast in the early stages of the pandemic and in a more favourable position than most European economies.

Figure 1: Percentage of workforce registered wholly unemployed

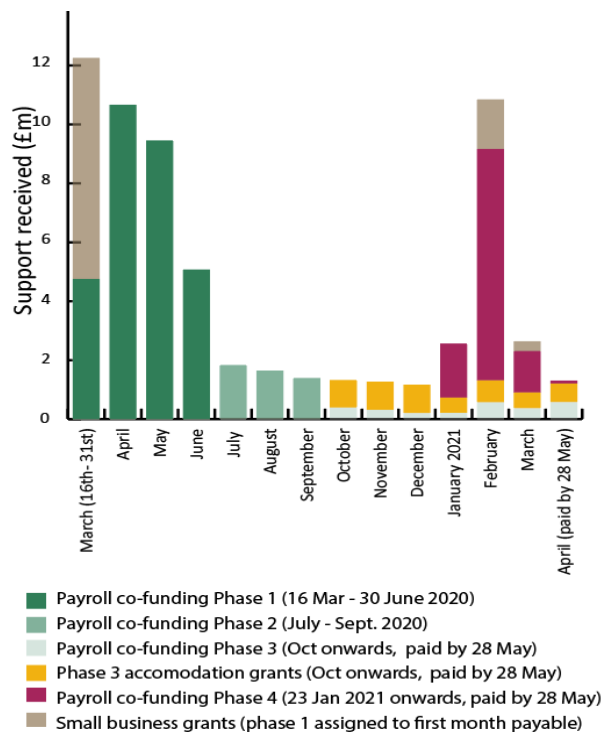


- 3.3 Unemployment rates in Guernsey peaked at over 5% during May 2020 but reduced rapidly once lockdown restrictions eased, reducing to 1.7% by the end of 2020. This resilience has been boosted by an exceptionally strong recovery in the housing market which has driven a surge in construction activity. With travel restrictions keeping residents on island, much of the revenue lost from visiting tourists has been replaced by money which residents might otherwise have spent elsewhere.

¹⁸ First estimates of 2020 GDP are expected to be published in September 2021

- 3.4 While some sectors have recovered well others, most notably the travel and hostelry sectors, have suffered a significant contraction. Many businesses have survived only due to the significant value of business support paid by the States. In total Guernsey spent more than 1.6% of GDP in direct support of businesses during 2020, more than a quarter of which was paid to the hostelry sector.
- 3.5 The Finance Sector, the largest contributor to Guernsey's GDP, is by nature more resilient to the impacts of COVID-19 and more suited to remote working than other sectors. However, there is evidence of some stress in the sector and employment levels have fallen. It is expected that when formal GDP estimates for 2020 are published the finance sector will show a contraction. This is in part because of restructuring decisions which pre-date the pandemic, but also because many businesses have needed to reconsider how best to manage their operations given an acceleration towards more flexible working practices and greater home working.

Figure 2: Business support payments by month



- 3.6 The second lockdown, beginning in January 2021, has dampened growth prospects for 2021. The current forecast is that the economy will recover much of 2020's lost output during 2021, but that GDP may still fall short of 2019 in real terms.

- 3.7 The second lockdown appears to have been less damaging than the first, with a lower peak in unemployment, fewer claims for income support and less money required to support businesses through the primary schemes. Despite the second lockdown, trading conditions for some medium and large businesses have been strong enough that they have voluntarily repaid more than £600,000 of the support they received in 2020.
- 3.8 By the end of May 2021 unemployment had fallen to 1.6%, the same level as before the second lockdown but still 0.7% higher than the same period in 2019. Despite 58 days of lockdown in the first quarter of 2021 the Employee Tax Instalment (ETI) receipts in that period compared favourably with 2019. However, the impact on companies and the self-employed is not yet known but is expected to have resulted in reduced income tax revenues.
- 3.9 The housing market continues to experience exceptionally high levels of demand pushing both purchase and rental prices upwards. Similar trends have been seen in the UK and elsewhere as households have re-evaluated their housing needs given the greater emphasis on home working. A strong housing market and money previously spent on off-island travel being diverted to on-island spend has created a strong recovery for the construction sector which appears to have returned to operating at full (or over) capacity. However, while travel restrictions are easing, movement to and from the island remains significantly reduced and it is unlikely that visitor numbers will return to their pre-COVID-19 levels this year.
- 3.10 Looking further ahead, assuming travel restrictions are released entirely before the beginning of 2022, there are prospects for further recovery for the hospitality and transport sectors in particular. The central assumption is that most sectors of the economy will return to their previous growth path between 2022 and 2023, with Guernsey's GDP returning to its previous trajectory, but having lost the equivalent of one to two years of real growth. This implies a permanent reduction in Guernsey GDP of around 0.5% which may result in a lasting impact on government revenues unless positive steps are taken to redress this.
- 3.11 The assumptions applied regarding the medium-term growth path are cautious, showing a small amount of real growth each year beyond 2022, which averages 0.6% above inflation each year. This reflects long standing constraints on Guernsey's economy. The economy is mature and already highly specialised in high value activities which means that the workforce is already more productive than most jurisdictions. This workforce, which is under pressure as the population ages, already operates at levels of unemployment which are low by international standards (albeit higher than they were) and participation rates are high. Guernsey's current

economic position is enviable, but it means that Guernsey must work harder for economic gains.

- 3.12 The GWP includes proposals to protect and enhance the economy and this Plan includes sensitivity analysis showing the impact on Government finances should Guernsey achieve a higher level of growth in the medium term. However, as a small and open economy, Guernsey remains exposed to external pressure over which it may have limited control as the COVID-19 pandemic has demonstrated. Beyond any lingering risk associated with the pandemic, the full longer-term implications of Brexit on the economy, positive or negative, are yet to become fully apparent; and The Organisation for Economic Co-operation and Development (OECD) continues to progress its Base Erosion and Profit Shifting initiative which may place further requirements on Guernsey to meet international standards on tax and transparency. Reflecting these risks, sensitivity is also included examining the potential consequences of lower levels of growth.

4. Baseline

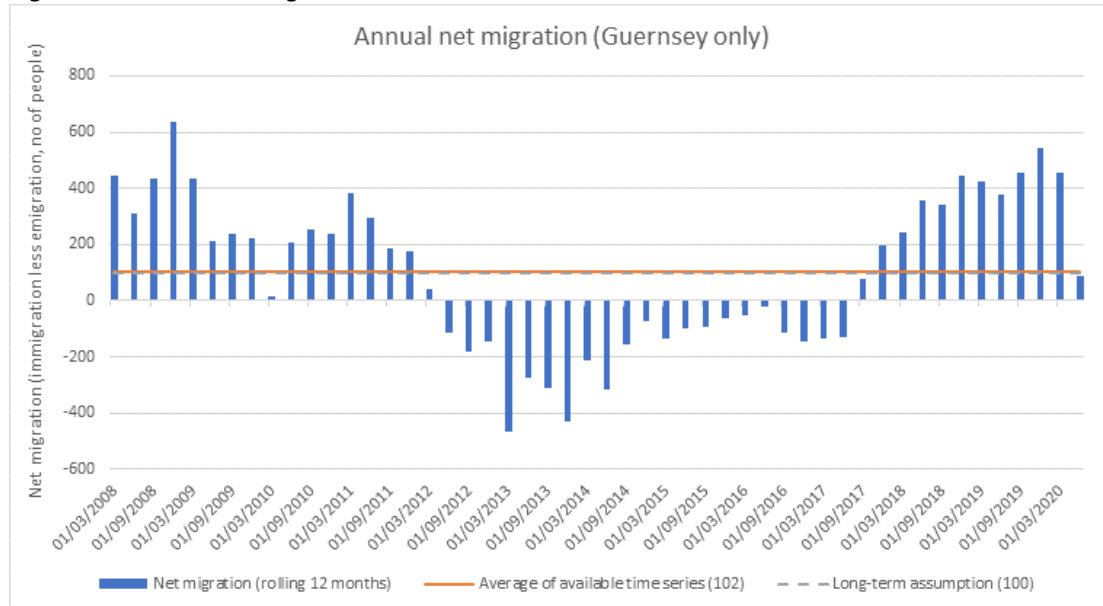
- 4.1 A baseline exercise was carried out across all aspects of States' activities to understand the underlying income and expenditure trend if we continue to operate as we currently do. This section summarises the core assumptions used in the baseline modelling exercise and the resulting estimates of income and expenditure over the five-year period.

Core Assumptions

- 4.2 **Keep services "as is":** One of the key assumptions of the baseline is that services remain as they currently are and only the impact of those service developments already agreed by the States in the Budget for 2021 (or previous years) and other agreed policy decisions planned for implementation over the next five years are included. An example of this is the impact of secondary pensions which will have the effect of reducing income tax revenue from 2023 onwards due to tax relief being given on an increased level of pension contributions.
- 4.3 **Population:** The baseline projections have been calculated from a central assumption of a 1.5 fertility rate and +200 net migration per year which assumes the medium-term level of net migration will be higher than the longer-term average. This reflects the higher-than-average level of net migration experienced immediately before the onset of COVID-19 and the anecdotal evidence that the pandemic has prompted a number of islanders to return to Guernsey, potentially increasing the core, non-seasonal population (figure 3). Net migration is cyclical in

nature, so the longer-term assumption remains that the island will experience an average level of net migration of +100 people per annum.

Figure 3: Annual net migration



- 4.4 Both fertility rates and, particularly, net migration can vary notably on a year to year basis and in any one given year can be significantly higher or lower than the central assumption. To capture this potential volatility the sensitivity analysis includes scenarios where higher and lower levels of net migration are experienced over the forecast period.
- 4.5 **Inflation:** Inflation, which impacts both income and expenditure, is not included in the financial projections so the real-terms' changes can be clearly highlighted. For comparative purposes 2019 and 2020 figures have been inflated so that all figures are reported in 2021 prices (this means that the 2019 and 2020 figures do not match the published accounts). Inflation could present a risk or opportunity, depending on how the impact is balanced between income and expenditure. It will be very important to manage expenditure inflation in future years, such as through the robust management of the supply chain and pay awards. Inflation is further considered as part of the sensitivity analysis section.
- 4.6 **Restatement of prior years:** Several budgets that were previously included within various States' Funds were agreed to be transferred to general revenue expenditure in 2021. This includes budgets for Guernsey Finance, Locate Guernsey, Digital Greenhouse and Capital Portfolio management costs. In addition, it is expected that the income and expenditure in relation to the Guernsey Health Service Fund (GHSF)

will be transferred to General Revenue from 2022. Where these transfers have been shown in the forecasts, the prior years' figures have been updated for comparative purposes. See Appendix 11.3 for details.

4.7 **Funds and Reserves:** As per the 2021 Budget Report, the following have been consolidated into a General Revenue Reserve:

- Capital Reserve
- Transformation and Transition Fund
- Future Guernsey Economic Fund
- Corporate Housing Programme Fund
- Insurance Deductible Fund
- Brexit Transition Fund
- General Revenue Account Reserve

4.8 For baseline modelling purposes, annual investment returns have been assumed to be 2.5% above inflation calculated on the closing balance of the consolidated General Revenue Reserve after adding/deducting the overall surplus/deficit for that year. Income projections for 2019 and 2020 have been updated to include the annual investment return received into these funds for comparative purposes. See Appendix 11.3 for details.

4.9 **Capital Appropriation:** For baseline modelling purposes it is assumed that funds equating to 2% of GDP are needed, which is in line with the Fiscal Policy Framework, to invest in infrastructure and systems and that allowance should be made for this amount to be transferred into reserves for future capital expenditure.

General Revenue Income Assumptions

4.10 A cautious approach has been taken to forecasting income due to the high level of uncertainty we face in today's economic environment. The baseline assumes a real terms economic recovery in the region of 4% in 2021 (resulting in GDP still slightly lower than 2019 in real terms) with a modest real growth path beyond that averaging 0.6% to 2025.

4.11 This section does not include operating income which is generated across service areas and is netted off committee expenditure budgets. The committee baselines include both operating income and expenditure.

Income Tax

- 4.12 The Income Tax forecast for 2021 is higher than budget due to a stronger final quarter in 2020 compared to the outlook estimated during the budget process. Receipts for the first quarter of 2021 were relatively strong despite 58 days of lockdown during the quarter. The income projections for 2022 to 2025 are in line with the economic growth forecast.
- 4.13 It has been assumed that the implementation of secondary pensions will start to reduce income tax receipts in 2023 by an estimated £1.5m, increasing to a £2.9m reduction by 2025, offsetting any real-terms growth in this period.

Contributions

- 4.14 It is expected that the income and expenditure associated with the services funded from the Guernsey Health Service Fund is transferred into General Revenue during 2021 as soon as the changes to the Law are brought into force. However, for comparative purposes the 2019-2021 figures have been restated to include contribution income as if this change was in place from 1st January 2019.
- 4.15 As per the agreed policy, approximately £28m - £29m (15%) of contribution income will be allocated to General Revenue to fund the associated services. The bulk of contribution income will continue to accrue to the Guernsey Insurance Fund and Long-Term Care Fund.

Customs Duties

- 4.16 The downward trends in the volume of dutiable products such as tobacco and motor fuel are assumed to continue. A reduction of 2% per annum in fuel and 0.4% per annum reduction in tobacco has been built into the baseline from 2022 onwards. There is a minimal 0.3% average annual growth in import duty and alcohol assumes no real-terms growth. The States may continue to apply real-terms' increases to duty, but this has not been assumed for the purposes of the baseline.
- 4.17 Both COVID-19 and associated lockdown and Brexit had a significant impact on customs duties in 2020.

Document Duty

- 4.18 Document duty is inherently difficult to forecast as it is dependent on both the volume and value of conveyances. Therefore, for the purposes of the baseline, levels

have been assumed to return to pre-COVID average levels and a flat rate per annum has been forecast beyond 2021 (although it is highly likely that there will be both positive and negative fluctuations to this).

TRP

- 4.19 It is assumed TRP will increase by £2.4m (8.2%) between 2021 and 2025 in line with the agreed gradual increase in general office tariffs¹⁹. No other real-terms growth has been assumed for TRP as the planned increase in domestic properties (approximately an additional 500 homes between 2021 and 2025) will likely be offset by a fall in the number of commercial properties. The TRP rate for commercial properties is significantly higher than that of domestic properties which is expected to balance out the overall receipts.
- 4.20 Again, the States may take policy decisions in future budgets which will further increase TRP in real-terms for some or all categories. However, for the purpose of the baseline it is assumed that increases will be maintained at inflation only.

Other Income

- 4.21 It has been assumed that housing and property rents remain flat in real-terms across the five-year period.
- 4.22 No dividends from the trading assets have been included in the baseline from 2022 onwards.
- 4.23 Investment returns have been calculated assuming a 2.5% real return on the balance of the General Revenue Reserve. In the baseline it has been assumed that the overall surplus/deficit will be serviced by the General Revenue Reserve.
- 4.24 Figures for 2019 and 2020 have been restated to include the returns made on the funds (primarily the investment return made on the Capital Reserve) that are now part of the new consolidated General Revenue Reserve. See Appendix 11.3 for details.

General Revenue Expenditure Assumptions

¹⁹ The States agreed as part of the 2020 Budget to increase the rate for the general Office and Ancillary Accommodation category to the same tariff as regulated finance industries, legal and accounting services and non-regulated financial services businesses over a period of 5 years

4.25 Each Committee's baseline has been prepared using the key assumption that current services remain operational with the inclusion of service developments approved through the Budget for 2021 and earlier years. For detailed assumptions see Appendix 11.2.

4.26 For modelling purposes, pay costs include a 0.5% real-terms allowance for pay inflation which is representative of the long-term average and the same assumption used when compiling the periodic Actuarial Valuations of the Public Service Pension Scheme. This equates to an approximate £1.2m - £1.3m per annum increase.

4.27 **Expenditure Baseline- Key Points**

Corporate Services

- IT and property services budgets have been centralised. IT costs are assumed to reduce as per the contractual agreement with Agilisys.

Core Services

- The Alderney air-route Public Service Obligation (PSO) is included at £2m per annum from 2021 onwards.

Health & Social Care

- NICE TAs phase 1 (year 1 provision for treatments up to £30,000 per quality adjusted life-year, increasing to £40,000 in year 2) have been included from 2021 onwards, with costs starting at £5m per annum in 2021 increasing to £8.8m by 2025.
- The GHSF transfer is built into the baseline from 1st January 2019 with annual costs starting at £48m in 2019 increasing to £55m by 2025. The net impact of the transfer after considering the additional contribution income and removal of the grant to the Guernsey Insurance Fund is approximately £5m in 2021 increasing to just over £9m by 2025.
- £3m per annum underlying health service cost pressures due to increased demand on services, primarily in acute off-island treatment and hospital treatment as well as other adult and specialist services.

Employment & Social Security: General Revenue

- The grant to the Guernsey Insurance Fund has been removed from the baseline in line with the States' decisions in respect of the transfer of the GHSF. This

reduces committee spend by approximately £16.5m per annum, which partly offsets the additional costs being incurred by Health & Social Care due to the transfer of the GHSF service provision.

- Approved policy changes to Family Allowance are further reducing spend in ESS by £3m per annum from 2022, offset by the cost of service developments in HSC and ESC.

Employment & Social Security: Funds

- The expenditure of the Guernsey Insurance and Long-Term Care Fund is drawn from the most recent actuarial reviews. They assume net immigration of +100 people per year over the longer-term and an increase in pensions, other contributory benefits and long-term care benefit set at RPIX plus 1/3rd of the difference between RPIX and median earnings. An expansion of the Long-Term Care Fund to include care in the home is not included.

COVID-19 Spend

- Business support measures have been estimated to cost £26.8m in 2021 and a further £2.6m has been estimated for 2022, reflecting the agreement to provide support to the tourist accommodation providers and tourist attractions until March 2022.
- Vaccination costs are expected to total £4m in 2021 with ongoing costs of £2m per annum.
- Testing and surveillance costs have been estimated at £5.7m in 2021. From 2022 it is assumed testing income will cover any costs.

Savings

- 4.28 It is assumed the savings target of £7m agreed in the 2021 Budget Report will be achieved. However, it is now expected that these savings will not be realised in full until 2023. £2m of savings have been forecast for 2021, with £0.6m currently allocated against committee budgets, with the residual amount being realised in 2022 and 2023. No amounts have been included in the baseline for associated re-organisation costs which have been included as part of the GWP transformation costs.

Capital Appropriation

- 4.29 The States agreed that no transfers to the Capital Reserve will be made in 2020 and 2021 to part offset the deficits incurred in those years due to COVID-19. For

illustrative purposes, it has been assumed that capital appropriations will recommence in 2022 as per policy, which is currently 2% of GDP. This equates to approximately £66m per annum.

States' Trading Assets

- 4.30 Aurigny was significantly impacted by COVID-19 and as such its deficit increased to £35m in 2020. The forecast deficit for 2021 at the time of preparing the baseline was £19.1m, although this is likely to change due to the highly volatile operating environment. A provision is made within General Revenue to cover the annual operating losses.
- 4.31 The baseline projection for Aurigny from 2022 onwards is showing a significant improvement with a surplus of £0.2m projected by 2023. This improvement assumes that travel returns to normal from 1st January 2022 and is no longer impacted by COVID-19 related travel restrictions.
- 4.32 The COVID-19 pandemic has also had a severe impact on the trading results of Guernsey Ports which have experienced a significant reduction in passenger numbers as a result of travel restrictions. This resulted in the Ports utilising short-term loan facilities of £5.3m in 2020 and a further £7.2m is forecast for 2021. A provision has been made for writing off these amounts in the General Revenue baseline.

Baseline Analysis

Figure 4: Baseline Summary

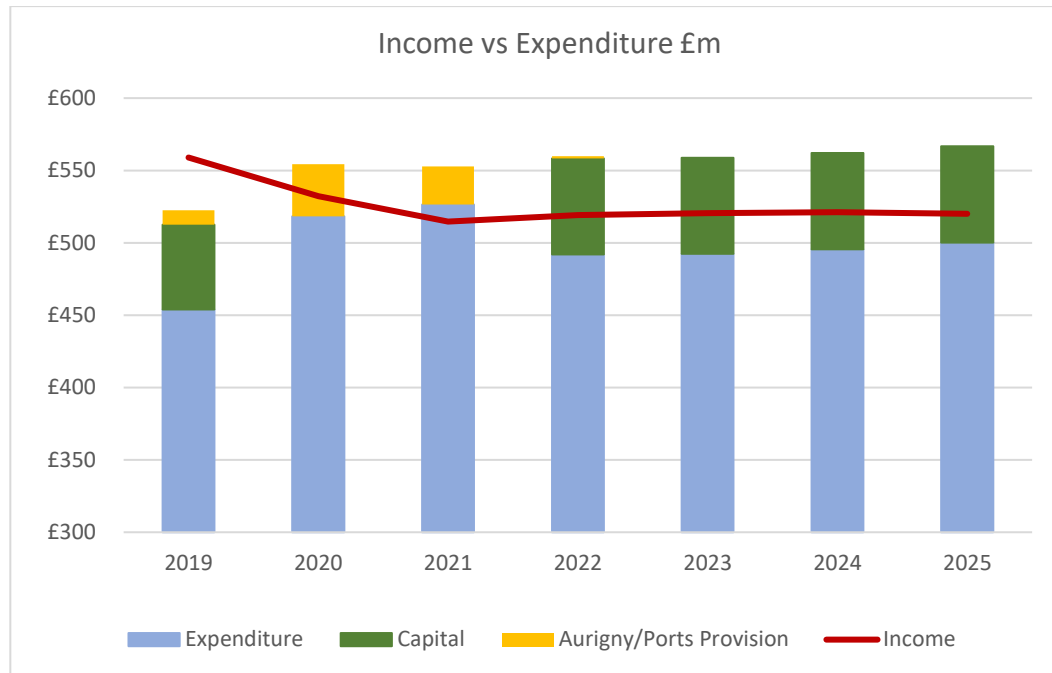
£m	2019	2020	2021	2022	2023	2024	2025
	<i>Adjusted</i>	<i>Adjusted</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
<u>General Revenue</u>							
Income	558.9	532.2	514.7	519.1	520.4	521.2	520.1
Expenditure	(453.9)	(518.3)	(526.4)	(492.1)	(492.5)	(495.6)	(500.2)
Net result - surplus/(deficit)	105.0	13.9	(11.8)	27.1	28.0	25.6	19.9
Capital	(58.6)	-	-	(66.3)	(66.4)	(66.4)	(66.5)
States Trading Assets*	(10.0)	(41.1)	(26.3)	(1.4)	-	-	-
Overall result - surplus/(deficit)	36.4	(27.3)	(38.0)	(40.7)	(38.4)	(40.8)	(46.6)
<u>Other Funds and Service Areas</u>							
Social Security	£43.0	(£31.0)	(£6.7)	(£17.8)	(£21.1)	(£23.7)	(£26.5)
States Trading Assets	(£1.8)	(£13.0)	(£13.0)	(£3.6)	(£2.8)	(£2.0)	(£1.0)

*Aurigny deficit and Ports short-term loan provision

- 4.33 The 2020 net general revenue position decreased to a small surplus of £13.9m from an equivalent surplus of £105.0m in 2019. The main drivers for this being COVID-19, which impacted both income and expenditure, and the high investment returns made in 2019.
- 4.34 Income was down £26.7m (4.8%) from 2019 due to lower investment returns and income tax receipts. However, it was only £1.2m (0.2%) lower than budget overall as the reduction in income tax receipts as a result of the pandemic was offset by higher than budgeted customs duty, document duty and investment returns. 2020 expenditure was significantly higher than both 2019 and the 2020 budget with £51m of business support measures accounting for most of the increase.
- 4.35 The 2021 net revenue position is set to worsen to a deficit of £11.8m. Income taxes are expected to increase by £10.6m (3.2%) but this is more than offset by a reduction in customs duty (-£9.8m) and document duty (-£1.9m), both of which had an exceptional year in 2020 due to high tobacco and spirit imports and a buoyant property market. Investment returns are modelled to reduce by approximately £10.6m in 2021 due to reducing reserves and a modest 2.5% real terms estimated return used for modelling purposes. Expenditure is set to increase in 2021 driven by service developments, pay awards, continuing COVID-19 related costs and other cost pressures.
- 4.36 The net general revenue position is projected to return to a small surplus of £27.1m in 2022. However, this is a declining position as costs are set to increase faster than income. Tax income is set to increase in line with the economic real-terms growth rate (average 0.6% from 2022) but from 2023 this is offset by the assumed reduction in income tax receipts as a result of the introduction of secondary pensions.
- 4.37 Overall (after adjustment for capital and the provision made for Aurigny and the Ports) the baseline projects a recurring annual deficit from 2020 onwards. This deficit was reduced in 2020 and 2021 by pausing transfers to the Capital Reserve. However, it has been assumed that capital transfers resume in line with policy from 2022. The impact of this is an increasing deficit position of £40.7m in 2022, increasing to £46.6m by 2025.
- 4.38 The following graph (figure 5) visually shows the baseline deficit. In 2019 the income line is higher than spend but this switches in 2020, with costs trending higher than income. The increased spend due to COVID-19 in 2020 and 2021 is clearly visible, however, there are other pressures that have a more lasting impact such as implementation of NICE TAs in 2021, underlying health service cost pressures (which have increased with the transfer of costs previously funded through the GHSE) and

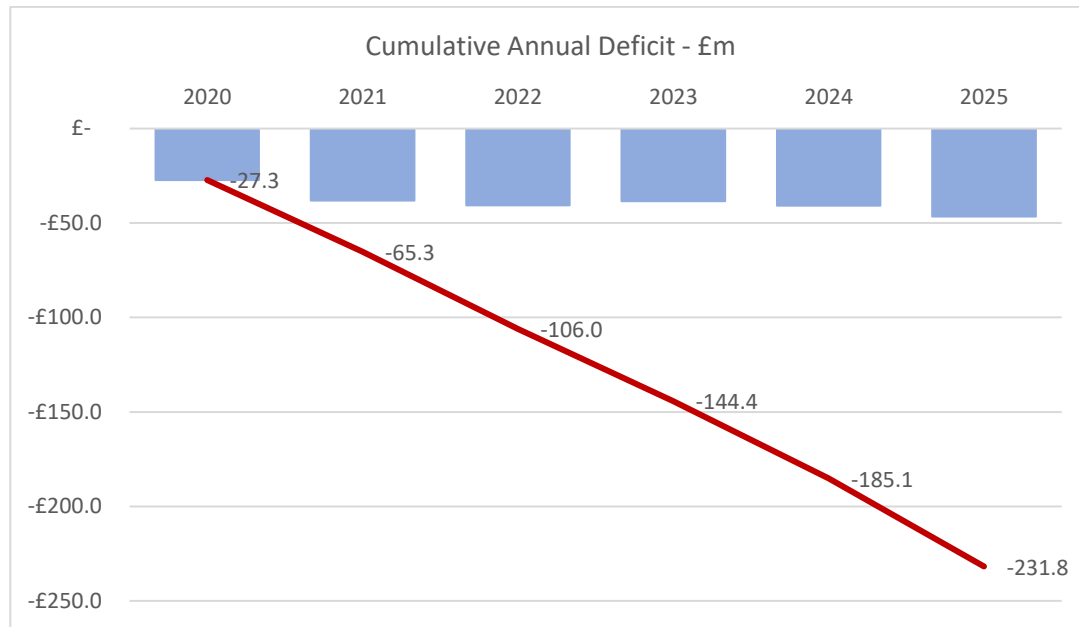
the secondary pension impact on income. These other pressures are providing a real challenge in the short and medium term, resulting in very little surplus to be invested in capital or other activity not covered by current committee budgets.

Figure 5: Baseline Deficit



- 4.39 Figure 6 below highlights the cumulative gap across the five years between the likely revenue income and the funding requirements, including capital investment. By end of 2025 the baseline indicates a potential cumulative gap of £232m.
- 4.40 The forecast deficit in 2025 would be equivalent to 9% of revenues, within the 15% of revenue limit placed on the in-year General Revenue deficit by the Fiscal Policy Framework. However, 2025 would represent a sixth successive year of deficit in breach of the Fiscal Policy Framework, which limits the persistence of a deficit position to no more than five consecutive years. With the trend showing a structural deficit and a reducing position, deficits could be expected to continue beyond 2025 unless action is taken to address it.

Figure 6: Cumulative Baseline Deficit



General Revenue Income

Figure 7: Baseline – General Revenue Income

Baseline £m	Income	2019 Actual	2020 Budget	2020 Actual	2021 Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Income Tax - Personal		£285.6	£282.4	£271.3	£271.7	£279.7	£283.9	£284.6	£285.6	£285.8
Income Tax - Other		£74.9	£70.8	£62.4	£62.0	£64.6	£67.6	£68.9	£69.4	£69.6
Contributions (GHSF)		£28.9	£27.9	£27.9	£27.8	£28.7	£28.8	£28.9	£29.0	£29.1
Customs Duties		£45.9	£45.6	£52.1	£42.3	£42.3	£43.5	£43.0	£42.6	£42.2
Document Duty		£18.8	£18.5	£23.4	£19.5	£21.5	£19.5	£19.5	£19.5	£19.5
Company Fees		£10.4	£9.9	£10.1	£9.7	£9.9	£10.1	£10.1	£10.1	£10.1
TRP		£26.2	£29.5	£29.5	£29.3	£29.3	£30.1	£30.9	£31.7	£31.7
Other Income		£68.4	£48.7	£55.4	£37.3	£38.7	£35.7	£34.5	£33.3	£32.0
Total Revenue Income		£558.9	£533.4	£532.2	£499.6	£514.7	£519.1	£520.4	£521.2	£520.1

2020 summary

- 4.41 Overall, 2020 income was only £1.2m (0.2%) below budget but still £26.7m (4.8%) below 2019. Income tax revenues were £19.6m (5.5%) lower than budget and £26.7m (7.4%) lower than 2019, due to being negatively impacted by COVID-19. However, this was partly offset by customs duties and document duty.

- 4.42 Customs duty was £6.5m (14.3%) higher than budget and £6.2m (13.6%) higher than 2019 driven by high tobacco and spirit duty income, which more than offset any decrease in motor fuel duty due to reduced travel as a result of the lockdown. The increase in spirits and tobacco duty income is understood to be a result of limited access to duty free products and an increase in stocks held (there is often material volatility in tobacco excise duty receipts between years due to the timing of imports).
- 4.43 Document duty was £4.9m (26.5%) higher than budget and £4.6m (24.4%) higher than 2019 due to the increased activity in the property market. TRP was in line with budget but was an increase of £3.4m (12.9%) from 2019 due to the change in tariffs during this period.
- 4.44 Other income streams (including dividends, housing rents and investment returns) all did well against budget and were up £6.7m (13.7%), although were down £13.0m (18.9%) against 2019 due to higher investment returns in that year.

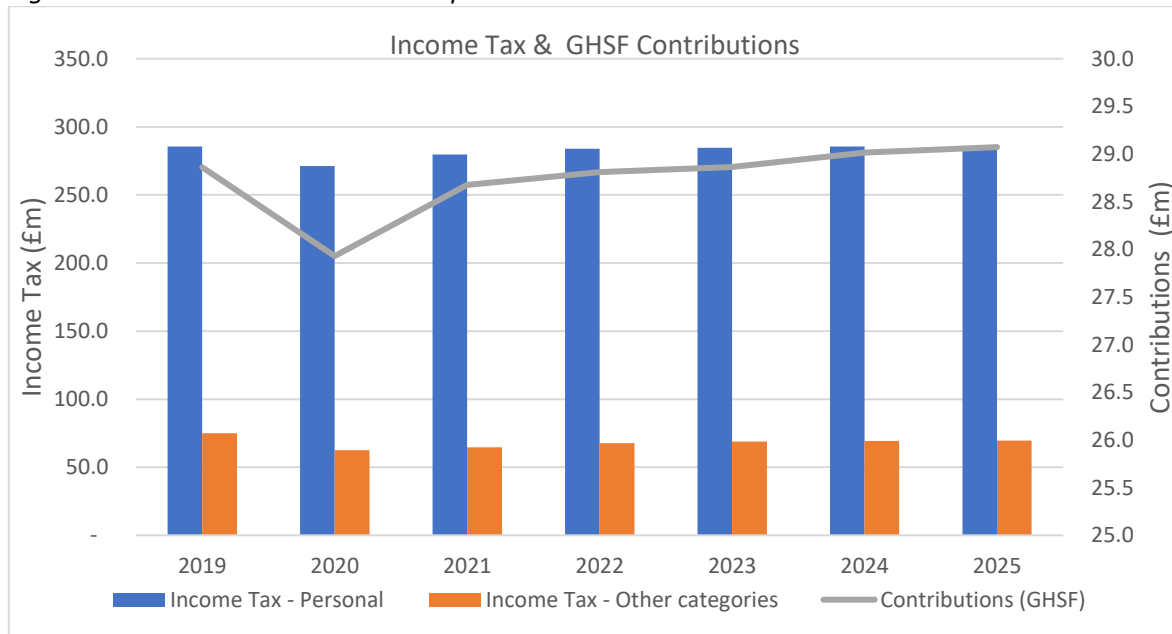
2021 – 2025

- 4.45 It is expected that 2021 income streams will continue to be impacted by COVID-19. These figures do assume that there are no further lockdowns and there continues to be a loosening of pandemic related travel restrictions (see Appendix 11.2 for detailed assumptions).
- 4.46 Based on latest receipts and economic forecasts, income taxes in 2021 are expected to be £10.6m (3.2%) higher than 2020 but still £16.1m (4.5%) lower than 2019. From 2022 income tax receipts are projected to increase in line with economic growth. It has been assumed that secondary pensions will be implemented leading to a reduction in income tax from 2023 of approximately £1.5m increasing to £2.9m reduction by 2025, offsetting the increase in income tax receipts through growth in this period.
- 4.47 For baseline modelling purposes it has been assumed the GHSF income and expenditure are within General Revenue as per recent policy changes and adjustments have been made from 2019 for comparative purposes. Approximately 15% of total Social Security contributions are received into the General Revenue baseline income as per below:

Contributions	2019	2020	2021	2022	2023	2024	2025
Total Contributions	190.2	184.1	189.3	189.8	190.1	191.0	191.4
GHSF Contributions	28.9	27.9	28.7	28.8	28.9	29.0	29.1

4.48 Like income tax, Social Security contributions were hit by the pandemic in 2020 and it is assumed that they will return to pre-COVID-19 levels by 2023.

Figure 8: Baseline – Income Tax Receipts & General Revenue Contributions

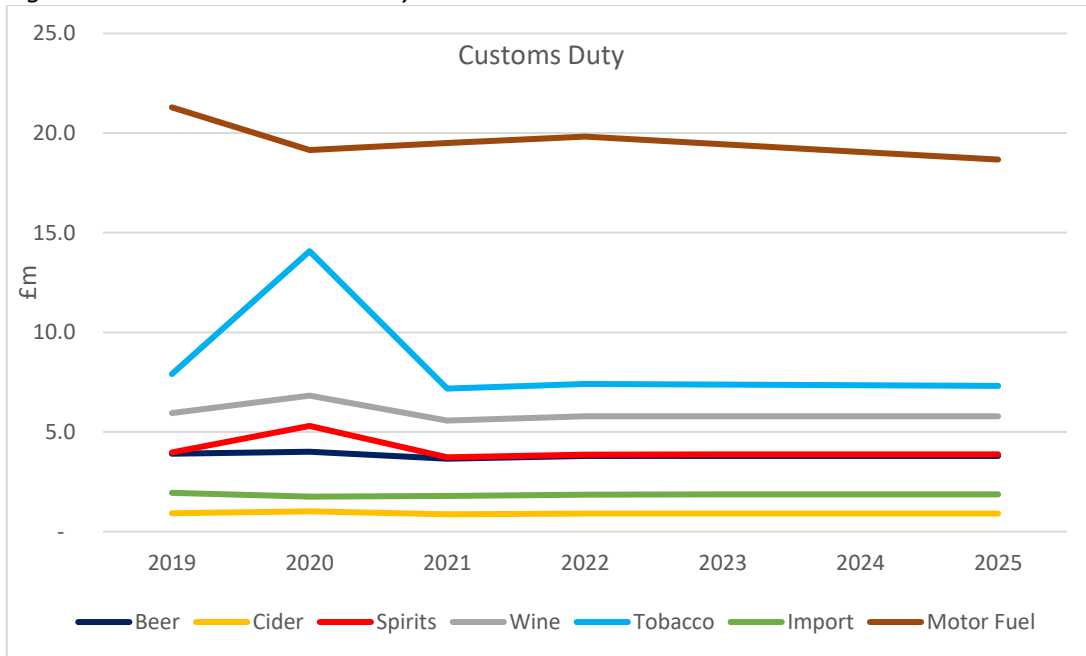


4.49 Income from Customs Duties (figure 9) is expected to reduce in 2021 as the impact of bulk buying tobacco products in 2020 unwinds. Motor fuel duty receipts are expected to increase in 2021 due to the temporary COVID-19 related drop in 2020 as more islanders were staying at home. However, an overall downward trend in this category is expected from 2022 onwards in line with the pre-COVID trend (although there is a risk that this decline will accelerate as the transition to electric vehicles builds momentum).

4.50 TRP is projected to grow by £2.4m (8.2%) from 2021 to 2025 driven by the agreed gradual increase in the general office tariff. No real-terms growth has been assumed in respect of document duty and company fees.

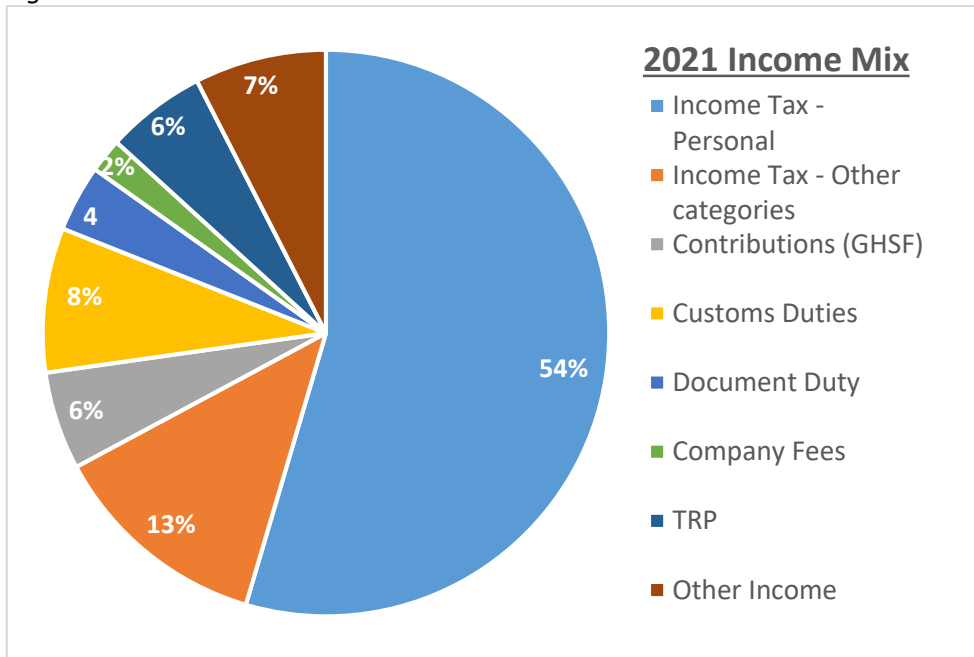
4.51 'Other income' which includes housing and property rents, investment returns, dividends and other small income sources has been projected to reduce over the five-year baseline period. The primary driver for this being a forecast reduction in investment returns across these years due to the reducing balance of the General Revenue Reserve on which the returns are calculated and the uncertainty around the levels of return that will be made. A real rate of 2.5% has been used to calculate the investment return as a prudent assumption.

Figure 9: Baseline – Customs Duty



4.52 Figure 10 illustrates the general revenue income mix:

Figure 10: Baseline – General Revenue Income Mix



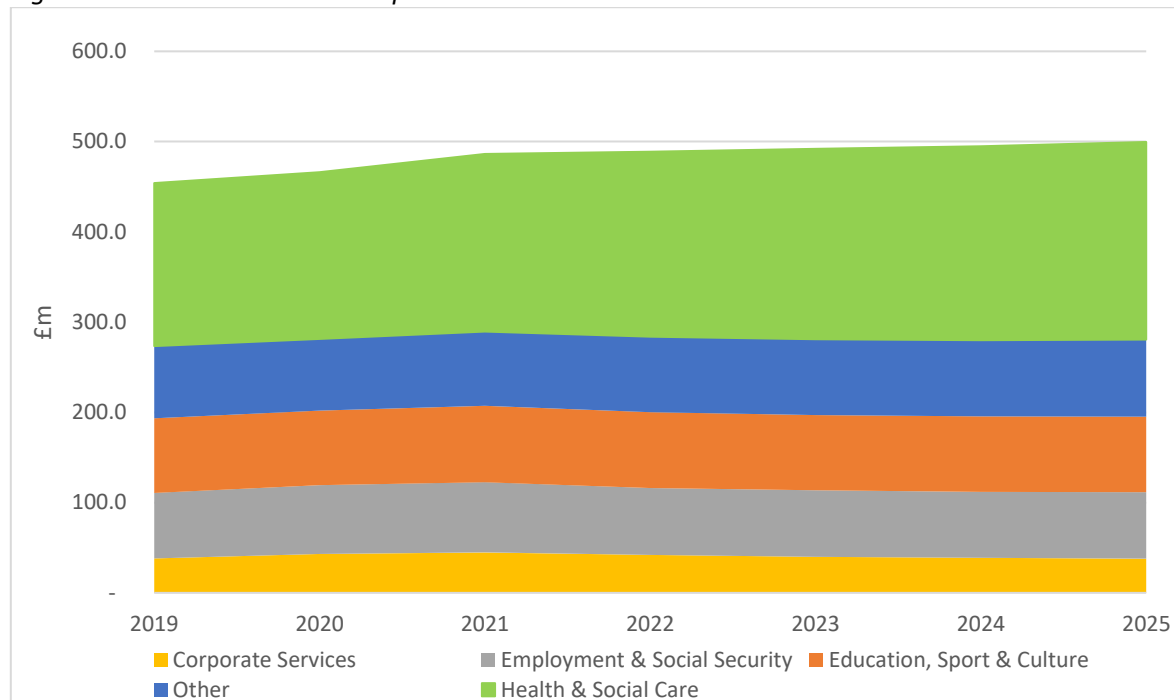
General Revenue Expenditure

Figure 11: Baseline – General Revenue Expenditure

Baseline Expenditure £m	2019 <i>Actual</i>	2020 <i>Budget</i>	2020 <i>Actuals</i>	2021 <i>Budget</i>	2021 <i>Forecast</i>	2022 <i>Forecast</i>	2023 <i>Forecast</i>	2024 <i>Forecast</i>	2025 <i>Forecast</i>
Committee Budgets	£453.9	£470.0	£466.3	£485.9	£486.3	£488.8	£491.8	£494.9	£499.6
Savings Targets	-	(£2.1)	-	(£6.5)	(£1.4)	(£6.4)	(£6.4)	(£6.4)	(£6.4)
Covid 19 Response	-	-	£52.1	£17.0	£36.5	£4.6	£2.0	£2.0	£2.0
Budget Reserve	-	£6.4	-	£9.0	£5.0	£5.0	£5.0	£5.0	£5.0
Total Expenditure	£453.9	£474.4	£518.3	£505.5	£526.4	£492.1	£492.5	£495.6	£500.2

- 4.53 Expenditure in 2020 was £43.9m (9.3%) higher than budget and £64.4m (14.2%) higher than 2019. This increase in spend is predominantly linked to COVID-19 with approximately £51m being spent on business support measures in the year.
- 4.54 2021 expenditure is projected to increase by a further £8.1m (1.6%) from 2020. Although COVID-19 expenditure is expected to reduce in 2021, this is being offset by service developments, approved pay awards and other cost pressures. Savings approved in the 2021 Budget Report are not expected to be achieved within the year and it is now forecast these will not be fully realised until 2023. Savings have not yet been allocated to specific budgets.
- 4.55 In 2022 expenditure is set to reduce by £34.4m (6.5%) driven by the reduction in COVID-19 related costs. Business support measures are estimated to cost £2.6m in the first quarter of 2022 but have been assumed to cease beyond that point. A further £2m has been estimated for annual vaccination boosters and has been forecast to occur annually across the five-year baseline. It is assumed for baseline modelling purposes that testing income will cover any incurred testing expense.
- 4.56 From 2022 to 2025 General Revenue baseline costs are showing no significant movement except for health care service costs. It is forecast that these costs will increase year on year by £3-£5m due to ageing demographics and the increase in chronic illness. There are further cost pressures associated with the ageing demographic which manifest in the Guernsey Insurance and Long-Term Care Funds, outside the General Revenue budget.
- 4.57 Figure 12 highlights the projected increase in expenditure on Health & Social Care services indicating a step change in 2021 when NICE TAs tranche 1 are implemented.

Figure 12: Baseline Committee Spend



5. SENSITIVITY ANALYSIS

5.1 This section seeks to provide an understanding around the level of risk, or opportunity, around key assumptions in the baseline financial modelling.

Income

5.2 There are many factors such as economic growth rates, population, demographics, inflation and tax policy that will affect the amount of income the States of Guernsey will generate. To understand the potential impact an increase or decrease in income could have on the overall financial result the following sensitivity analysis has been undertaken (figure 13).

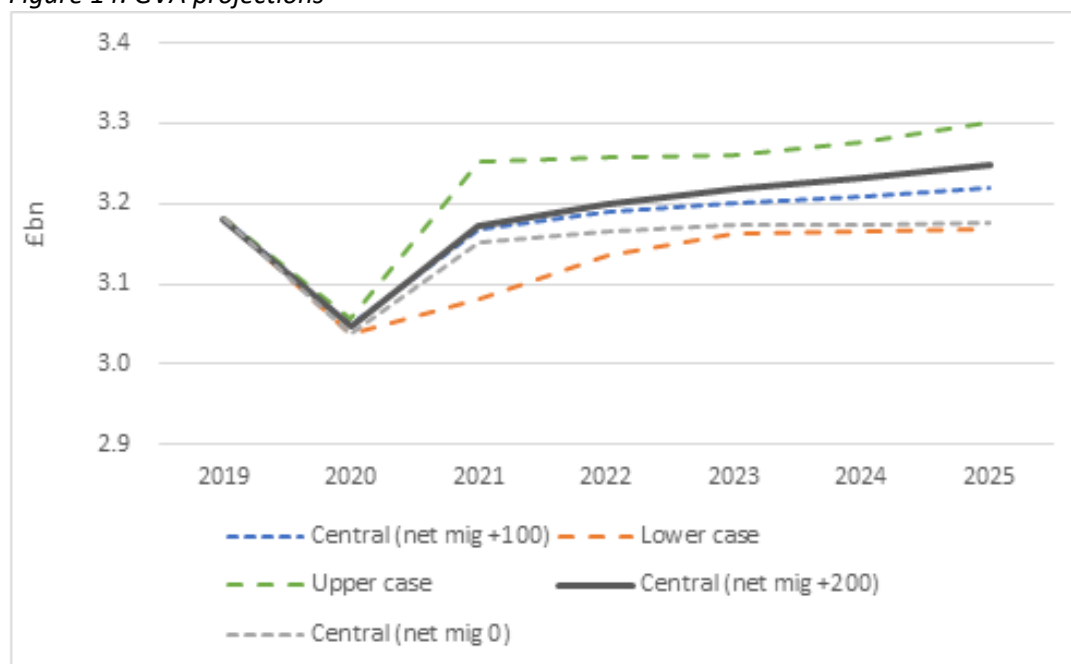
Figure 13: Income sensitivity analysis – 2021-2025 Average

5% Average Annual Variance to Baseline	£m
Income Tax - Personal	14.2
Income Tax - Other categories	3.4
Contributions (GHSF)	1.4
Customs Duties	2.1

Document Duty	1.0
Company Fees	0.5
TRP	1.5
Other Income	1.7
Total Revenue Income	26.0

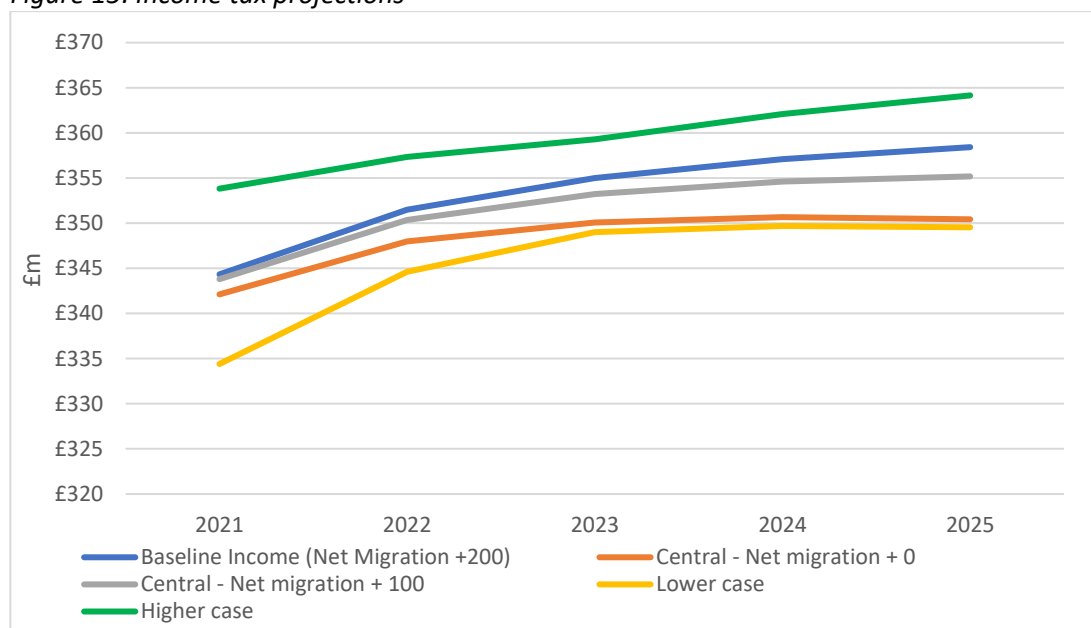
- 5.3 A variation of 5% to the baseline income projections (figure 13) would result in an annual increase or decrease of £26.0m, with £17.6m of this being driven through income tax. A 5% variation in customs duty would increase or decrease that income stream by £2.1m from baseline projections. 2020 saw tax income drop 5.5% against budget and 7.4% in real terms from 2019. Income tax, document duty and investment returns are the most volatile revenue streams with the potential to have the largest variance from forecast.
- 5.4 The GVA projection is the significant driver of income tax revenues in the baseline and its sensitivity is explored in the following section. Figure 14 highlights different GVA projections based on changes to population assumptions plus a higher and lower medium-term growth rate compared to that used in the baseline modelling.

Figure 14: GVA projections



- 5.5 'Assuming no change in income tax policy the following graph (figure 15) indicates the impact different scenarios may have on income tax revenues.

Figure 15: Income tax projections



- 5.6 The following tables (figure 16) indicate the annual change to baseline income tax projections in monetary and percentage terms:

Figure 16: Income sensitivity analysis

Income £m	Tax	Variance	2021	2022	2023	2024	2025	Average
Central - net migration +0			£-2.2	£-3.5	£-4.9	£-6.4	£-8.0	£-5.0
Central - net migration +100			£-0.5	£-1.1	£-1.8	£-2.5	£-3.2	£-1.8
Lower case			£-9.9	£-6.9	£-6.0	£-7.4	£-8.9	£-7.8
Higher case			£9.5	£5.8	£4.3	£5.0	£5.7	£6.1

Income %	Tax	Variance	2021	2022	2023	2024	2025	Average
Central - net migration +0			-0.6%	-1.0%	-1.4%	-1.8%	-2.2%	-1.4%
Central - net migration +100			-0.2%	-0.3%	-0.5%	-0.7%	-0.9%	-0.5%
Lower case			-2.9%	-2.0%	-1.7%	-2.1%	-2.5%	-2.2%
Higher case			2.8%	1.7%	1.2%	1.4%	1.6%	1.7%

- 5.7 A change in the baseline assumption to a net migration +0 would decrease annual tax revenue by approximately £5.0m (1.4%) per annum. A shift to a net migration +100 assumption would decrease tax revenue by approximately £1.8m (0.5%) per annum.
- 5.8 The central GVA projection used for baseline modelling purposes assumes a total cumulative growth of 6.6% from 2020 to 2025. The higher case used in the sensitivity analysis, which assumes a faster and more complete recovery, results in a total growth of 8.3% over the same period and would result in income tax revenues increasing by an average of £6.1m per annum (1.7%). A lower GVA growth rate of 4.2% would result in an average income drop of £7.8m per annum (2.2%).

Pay Costs

- 5.9 There is a significant risk that pay costs will differ to those projected in the baseline. This may be due to pay awards, vacancies or a movement in FTE (full-time equivalents). The impact of a 5% movement in pay costs compared to baseline is indicated in figure 17.

Figure 17: Pay sensitivity analysis - 2021-2025 Average

5% Average Annual Variance to Baseline	£m
Established Staff	4.5
Nurses & Medical Consultants	4.1
Public Service Employees	1.0
Teachers and LSA's	2.4
Crown Officers & Judges	0.1
Border Agency Officers	0.2
Police Officers	0.5
Fire Officers	0.2
Prison Officers	0.2
States Members Remuneration	0.1
Home Support Staff	0.1
Total Pay Costs	13.4

- 5.10 A 5% change to the baseline pay costs would result in an increase or decrease of approximately £13.4m per annum. Established staff, nurses and medical consultants and teaching staff account for over 80% of pay costs and a 5%

movement in pay in these employment categories would have a significant impact on overall pay costs.

Non-Pay Costs

- 5.11 Non-pay expenditure is subject to many variables such as population, health and wellbeing, economic conditions, unemployment and inflation. The following table (figure 18) indicates the impact a 5% movement to the baseline projections would have on overall expenditure.

Figure 18: Non-pay sensitivity analysis - 2021-2025 Average

5% Average Annual Variance to Baseline	£m
Advertising Marketing & PR	0.1
Benefit Payments	3.0
Consultants Fees	0.1
Contracted out work	3.0
Grants & Subsidies	1.2
Postage, Stationery & Printing	0.1
Recruitment	0.2
Rents & Leasing	0.2
Repairs, Maintenance & Servicing	0.8
Risk Management & Insurance	0.2
Services	1.3
Supplies	2.4
Training	0.1
Utilities	0.3
Vehicles & Vessels	0.1
Total Non-Pay	13.0

- 5.12 A 5% increase in non-pay would mean an increase of £13m per annum to the cost base. The larger expenditure categories include benefit payments, contracted out work, services, supplies and grant and subsidies. These categories make up over 80% of the non-pay spend and will require careful management to prevent unnecessary cost increases.
- 5.13 Benefit payment is formula led and is therefore less controllable (outside of policy changes) than other non-pay expenditure categories. It is essentially counter cyclical spend which increases when economic conditions are weak and decreases as

conditions (particularly around employment and wages) improve. A 5% change in benefit payments would result in an increase or decrease of £3m per annum. In 2020 Employment & Social Security formula-led benefit payment increased by 11% resulting in additional cost of £6m in that year due the additional cost of supporting households whose income was impacted by COVID-19.

Service Developments

- 5.14 Included in the baseline are service developments and policy decisions that were approved by the States prior to 2021. No allowance has been made for further service developments as it is assumed that such activity will be prioritised through the GWP and will be included in the next section of this report.
- 5.15 However, during the last few years there have been additional budget requests during the annual budget process. These requests on average have equated to £3m per annum after adjusting for key policy decisions, such as NICE TAs. It should therefore be highlighted that service developments outside the GWP pose an additional £3m per annum risk to the baseline projections.

Best/Worst/Middle case baseline scenarios

- 5.16 The baseline projections are subject to numerous variables which have the potential to improve or worsen performance. The following table (figure 19) highlights potential worst, middle and best-case scenarios.

Figure 19

<u>£m</u>	WORST CASE					MIDDLE CASE					BEST CASE				
	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025
General Revenue Income	500.8	508.7	511.1	510.4	507.8	514.7	519.1	520.4	521.2	520.1	528.2	528.6	528.2	529.8	529.6
Income Tax - Personal	271.7	278.3	279.8	279.6	278.7	279.7	283.9	284.6	285.6	285.8	287.4	288.6	288.1	289.6	290.5
Income Tax - Other	62.7	66.3	67.7	67.9	67.9	64.6	67.6	68.9	69.4	69.6	66.4	68.8	69.7	70.3	70.8
Contributions (GHSF)	27.9	28.3	28.5	28.6	28.6	28.7	28.8	28.9	29.0	29.1	29.5	29.4	29.4	29.6	29.8
Customs Duties	41.2	42.4	42.0	41.6	41.2	42.3	43.5	43.0	42.6	42.2	43.4	44.5	44.1	43.7	43.3
Document Duty	19.4	17.6	17.6	17.6	17.6	21.5	19.5	19.5	19.5	19.5	23.7	21.5	21.5	21.5	21.5
Company Fees	9.9	10.1	10.1	10.1	10.1	9.9	10.1	10.1	10.1	10.1	9.9	10.1	10.1	10.1	10.1
TRP	29.3	30.1	30.9	31.7	31.7	29.3	30.1	30.9	31.7	31.7	29.3	30.1	30.9	31.7	31.7
Other Income	38.7	35.7	34.5	33.3	32.0	38.7	35.7	34.5	33.3	32.0	38.7	35.7	34.5	33.3	32.0
General Revenue Expenditure	(546.8)	(509.1)	(509.1)	(512.3)	(517.0)	(527.0)	(494.6)	(495.0)	(498.1)	(502.8)	(526.4)	(491.1)	(492.1)	(495.2)	(499.8)
Committee Cash Limits	(503.6)	(506.2)	(509.2)	(512.4)	(517.2)	(491.3)	(493.8)	(496.8)	(499.9)	(504.6)	(491.3)	(493.8)	(496.8)	(499.9)	(504.6)
COVID-19 Management	(43.8)	(5.5)	(2.4)	(2.4)	(2.4)	(36.5)	(4.6)	(2.0)	(2.0)	(2.0)	(36.5)	(3.7)	(1.6)	(1.6)	(1.6)
Unallocated Savings	0.5	2.5	2.5	2.5	2.5	0.8	3.8	3.8	3.8	3.8	1.4	6.4	6.4	6.4	6.4
Baseline - surplus/(deficit)	(46.1)	(0.4)	2.0	(1.9)	(9.3)	(12.3)	24.5	25.4	23.1	17.4	1.8	37.4	36.2	34.6	29.8
States Trading Assets*	(31.5)	(1.7)	-	-	-	(26.3)	(1.4)	-	-	-	(23.6)	(1.2)	-	-	-
Take out investment return	(11.0)	(9.8)	(8.7)	(7.5)	(6.1)	(11.0)	(9.8)	(8.7)	(7.5)	(6.1)	(11.0)	(9.8)	(8.7)	(7.5)	(6.1)
Adjusted Baseline Position	(88.6)	(12.0)	(6.7)	(9.4)	(15.4)	(49.6)	13.2	16.8	15.6	11.2	(32.9)	26.4	27.5	27.2	23.6

(a) Worst Case - Variance to baseline

- Income tax and contributions are based on the lower case GVA projections
- Customs duty is 2.5% lower than the main baseline projection. These duties may vary year on year but are not expected to shift significantly
- Document duty is 10% lower than baseline and can vary significantly year on year
- Cash limits increased by 2.5% as there is a risk that committees may overspend budgets or that unplanned unavoidable cost pressures materialise.
- COVID-19 spend has been increased by 20% due to the many unknowns in this area still
- Savings have been reduced by 60%
- Aurigny and Ports provision increased by 20% due to the uncertain environment they are operating in and linked to COVID-19 risk above

(b) Middle Case – Variance to baseline

The only changes from the baseline are to savings and the revenue impact of capital expenditure (RICE). Savings have been reduced by 40% and RICE has been increased by 10%. This cautious approach has been taken to represent a more realistic scenario based on past performance and to avoid optimistic savings estimates being relied on in making other spending decisions.

(c) Best Case – Variance to baseline

- Income tax and contributions are based on the higher case GVA projections
- Customs duty is 2.5% higher than the main baseline projection
- Document duty is 10% higher than baseline
- COVID-19 spend has been reduced by 20% due to the many uncertainties in this area
- Aurigny and Ports provision decreased by 10% in 2021 and 20% in 2022 due to the uncertain environment they are operating in

5.17 These scenarios have been compiled to illustrate the range of potential financial outcomes given changes to certain key assumptions and reflecting historic variances and the current volatile environment.

5.18 Throughout the remainder of the report, the Middle Case has been used as the central assumption upon which to overlay government spending priorities and for assessing funding requirements.

6. GWP Financial Impact

- 6.1 Significant work has been undertaken to quantify the financial impact of all the proposed government priorities and this section pulls together all the estimated costs over the five-year period noting that some costings are outline only at this stage. The States may agree to change their priorities in order to accommodate additional actions.

(a) Priority 1: Responding to COVID-19

As set out in the sections above, the estimated costs in relation to the ongoing management of COVID-19 have already been included in the baseline.

(b) Priority 2: Managing the effects of Brexit/ International Standards

Brexit related actions are likely to increase baseline costs by approximately £1.1m per annum. This is to cover new services, processes or to increase existing capacity as detailed in the GWP. There are still many unknowns in this area and there is significant risk that these costs may increase as work progresses. See Appendix 11.5 for more details.

(c) Priority 3: Delivering Recovery actions

The GWP priorities can be separated into those actions that are one-off in nature and those that will be on-going. If approved, the on-going actions will form part of the 'new' baseline whereas the one-off costs should not require funding post the initial investment period which may be over one or more years.

On-going recovery actions are estimated to total approximately £3.5m per annum in middle case scenario, which provides for a 20% uplift on initial estimated costs of proposals due to the high level of unknowns at this time. This will require budget increases for capacity growth and new service developments to enhance health and wellness, increase support and encourage local industry, improve education and skills, improve transport connectivity and to keep the Bailiwick safe and secure. Many of these actions are still early in development and there is significant risk that these costs will change as work progresses in those areas. See Appendix 11.4 for further details.

Several recovery actions detailed in the GWP require one-off funding, the total of which is estimated at £14.9m across the five years. These funds will be used to invest in nature and the natural economy, regeneration activities, promotion of Guernsey's finance sector and to reduce backlogs and waiting times for elective procedures. See Appendix 11.4 for more details.

(d) Priority 4: Re-Shaping government

Included in the GWP priority “Reshaping Government” are several actions that require funding including public service transformation activities and “Transforming Health & Social Care” which has been established to deliver on the Partnership of Purpose. It is estimated that these programmes of work will require investment of approximately £26m over the five-year period.

The public service transformation programme is expected to result in further savings, in addition to those included in the baseline which would lower the overall cost of delivery of public services.

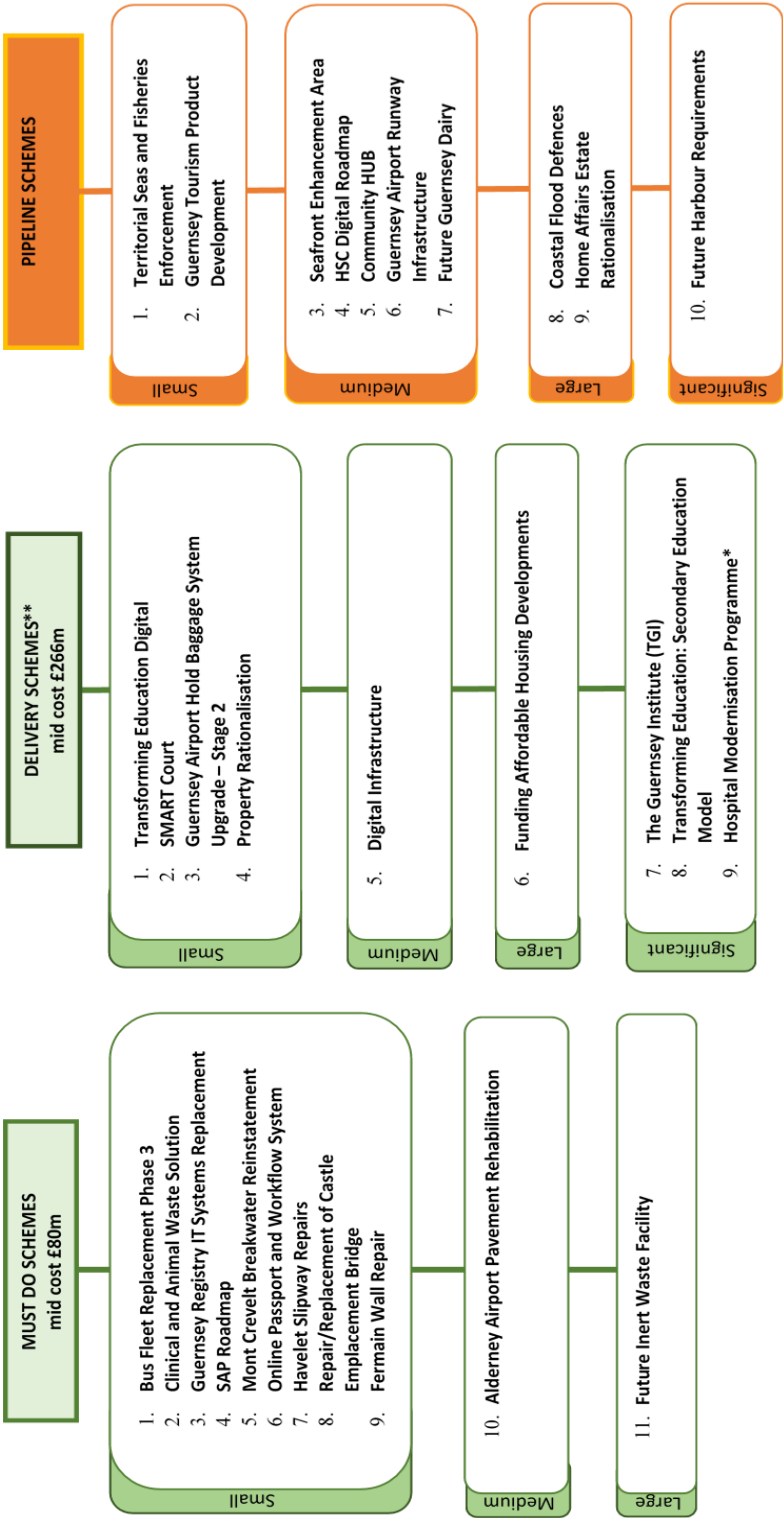
Capital portfolio

- 6.2 The development of the capital portfolio occurs every four years aligned with the development of the Government’s business plan and financial plan, in this term the GWP and this plan. The ultimate objective of the portfolio is to support the achievement of the States’ vision and strategy through investment in infrastructure and systems.
- 6.3 Proposals are the result of a thorough and inclusive capital prioritisation exercise. The approach has been collaborative to ensure that proposals for capital investment are connected to actions and activities to support the Bailiwick’s recovery and the delivery of its medium to longer term strategic aims where appropriate. Further information on how the proposed portfolio aligns with the GWP and the approach to its development can be found in Appendix 11.8.
- 6.4 The Policy & Resources Committee’s proposed portfolio contains schemes that are likely to commence in the next four years – a delivery portfolio. Within this several schemes have been categorised as ‘must do’: necessary to comply with legislative and regulatory requirements or to replace assets or infrastructure coming to end of life. In total, 38 scheme proposals were assessed and categorised, 21 have been categorised in the delivery portfolio (of which 11 have been assessed as ‘must do’).
- 6.5 Several of the proposals are longer term in nature, are not likely to commence anything but scoping within this medium-term period and/or are considered lower priority overall and therefore should progress later. In most of these cases, significant policy and strategy development work and decisions are required before options for delivery and implementation can be determined and the capital scheme advanced. Such schemes have been categorised as pipeline schemes that are more likely to commence delivery beyond the four-year period and it is proposed these schemes are approved for further scoping and planning to commence. Should the

schemes develop faster than anticipated and the States wish to see them moved into the delivery portfolio, this should be enabled subject to funding being available which might require other schemes to be de-prioritised or for cost restrictions to be introduced across the portfolio.

- 6.6 The inclusion of the pipeline portfolio continues the theme of seeking to extend the planning horizons and ensure that the schemes are ready to commence delivery planning at the beginning of the next portfolio period. A total of 10 schemes are proposed for the pipeline.
- 6.7 It is proposed that development funding is provided for those schemes recommended for inclusion in the pipeline. However, the Policy & Resources Committee is cognisant of the need to continually balance affordability and public value for money. Therefore, the Committee believes it essential that the scope of schemes is agreed (between the sponsoring Committee and the Policy & Resources Committee) at the earliest opportunity to establish an agreed proportionate approach for developing each scheme (and this is set out in more detail in section 9 below).
- 6.8 Of the 38 proposals, seven schemes are either to be considered differently (e.g. designated as minor capital work) or are recommended to be reassessed in future rounds and therefore not progressed at this time.
- 6.9 The schemes proposed for inclusion in the portfolio are in addition to those projects classed as minor capital and funded from within the Minor Capital Allocations approved as part of the 2021 Budget. This ensures that identified demand to replace, maintain and improve assets can be funded and will support economic activity in the island and assist in the recovery.
- 6.10 Finally, an appropriate provision is always set aside to support urgent and emergency schemes or opportunities that arise. We propose that a provision of £25m is made available over this term consistent with the last prioritisation round. A total amount of £460m is therefore required to fund the capital portfolio, excluding minor capital.
- 6.11 The proposed portfolio is summarised below (figure 20) and the schemes set out in more detail in Appendix 11.9.

Figure 20: Capital Portfolio



- 6.12 In total, the schemes in the delivery portfolio (including existing schemes still to be delivered) are expected to cost in the region of £405m. When the cost of progressing the pipeline, a provision for unforeseen schemes, minor capital and adjustments to future year cashflows for inflation are included, the portfolio cost increases to £580m. This is significantly in excess of the minimum level set out in the Fiscal Framework of 2% of GDP which would equate to approximately £330m over the five-year period.
- 6.13 However, the work done to establish the portfolio clearly shows that the 'must do' schemes have to be progressed and will cost in the region of £80m. In addition, the Policy & Resources Committee believes that all the prioritised schemes in the portfolio should be progressed at this point as all have strategic or operational significance and should deliver significant benefits.
- 6.14 In the past, the development of capital schemes has happened without regard to any financial constraints. Services and Committees have outlined their requirements which have, by and large, been funded. Given the level of requirement now for capital investment and the shortage of funds, this approach will need to change, and funding restrictions will need to be agreed at the outset between Committees and compromise made in order to deliver adequate and appropriate assets.
- 6.15 In addition, the Policy & Resources Committee believes that the States should explore working in partnership with the private sector to deliver capital schemes where suitable and appropriate. So called 'Public Private Partnership' schemes have worked well in some jurisdictions but have developed a bad reputation in others. On balance, the Committee believes there are benefits to the States in exploring such alternative approaches such as the opportunity to achieve overall cost efficiencies and greater certainty of success; encouraging the transfer of build risks to those most able to manage them; and seeking innovation and good design using output specifications in design and construction, and increased productivity and quality in delivery.
- 6.16 Some of the criticisms of such schemes is that they result in the loss of flexibility for the client organisation and that they can be expensive due to the level of bank finance resulting in higher overall financing costs. It has become popular in other jurisdictions for either capital contributions or loans from the public sector to replace the bank finance and therefore lower the overall cost of the scheme and improve the value derived for the public sector organisation. The Policy & Resources Committee would like to pilot such a scheme during this term to determine the overall fit for the States.

- 6.17 The total estimated value of the schemes being proposed in the GWP, including £25m for unforeseen capital expenditure, is £580m. If approved then this should be the amount of funding required to finance the schemes, subject to more detailed business cases. As many of the financial estimates are still subject to more detailed assessment and costing during business case development, it is highly likely that the total scheme costs and the phasing of the expenditure will vary from that proposed. The following table (figure 21) presents three different scenarios – best, worst, middle – of phased capital spend over the next five years. The Scenarios set out below consider potential cases for the timing of the expenditure on capital schemes. However, the timing of the delivery of schemes, while important for managing cash flow, does not change the overall amount required.
- 6.18 Scenario 1 highlights the capital estimated to be required should all schemes be approved and phased as per submissions. Minor capital is the total amount approved up to end of 2024, with the run rate continuing into 2025. This is likely to be the highest spend scenario in the 5-year time frame as major capital schemes often take longer to deliver than initially estimated and minor capital spend is not likely to reach £24.6m per year based on historic spend rates.
- 6.19 Scenario 2 is forecast to be a more realistic illustration of cashflows. It assumes that 50% of the proposed major capital expenditure will fall into the following year. This means that £23m of proposed major capital schemes will be delivered in 2026. Minor capital is calculated at 80% of the total approved. At £19.7m per annum this is still considerably higher than the £13.1m minor capital spend seen in the previous two years, which is appropriate given that the States have agreed to substantially increase the level of investment in this area. The allocation for unforeseen schemes has also been reduced by 50% to £12.5m for the five years.
- 6.20 Scenario 3 is the minimum funding thought to be required over the next 5 years. Major capital is assumed at £52.2m per annum which takes the maximum annual spend over the last four years (inflated to 2021 prices) and increases it by a further 20% to acknowledge the large scope of schemes that are due for delivery in the coming years. Minor capital is assumed at 60%, which is still £1.6m higher than the last two years spend. The unforeseen provision is reduced to £1m per annum.

Figure 21: Capital Expenditure Scenario

Capital Scenario 1 - £m	2021	2022	2023	2024	2025	TOTAL
Major	52.1	120.3	126.9	87.5	46.0	432.7
Minor	24.6	24.6	24.6	24.6	24.6	122.9
Unforeseen	5.0	5.0	5.0	5.0	5.0	25.0
TOTAL Max	81.7	149.9	156.4	117.1	75.5	580.6

Capital Scenario 2 - £m	2021	2022	2023	2024	2025	TOTAL
Major	26.0	86.2	123.6	107.2	66.8	409.7
Minor	19.7	19.7	19.7	19.7	19.7	98.3
Unforeseen	2.5	2.5	2.5	2.5	2.5	12.5
TOTAL Mid	48.2	108.3	145.7	129.4	88.9	520.5

Capital Scenario 3 - £m	2021	2022	2023	2024	2025	TOTAL
Major	52.2	52.2	52.2	52.2	52.2	260.8
Minor	14.7	14.7	14.7	14.7	14.7	73.7
Unforeseen	1.0	1.0	1.0	1.0	1.0	5.0
TOTAL Min	67.9	67.9	67.9	67.9	67.9	339.6

6.21 These additional costs have been overlaid on to the Middle Case baseline with a distinction made between those costs which are short-term or one-off in nature and those that will become ongoing and therefore form part of the 'new' baseline.

Revenue Impact of GWP Actions

6.22 The following table (figure 22) indicates the overall surplus/deficit after inclusion of any on-going actions that impact on general revenue income and expenditure:

Figure 22: Middle Case

5 YEAR PLAN - Middle Case	2021	2022	2023	2024	2025
Baseline - surplus/(deficit)	(12.3)	24.5	25.4	23.1	17.4
States Trading Assets*	(26.3)	(1.4)	-	-	-
Less GR Reserve Investment Return	(11.0)	(9.8)	(8.7)	(7.5)	(6.1)
Adjusted Baseline Position	(49.6)	13.2	16.8	15.6	11.2
<u>GWP Revenue Impact</u>					
Brexit (on-going)	(0.2)	(1.0)	(1.1)	(1.1)	(1.1)
Recovery (on-going)	(0.9)	(2.6)	(3.6)	(3.5)	(3.5)
NICE TAs	-	3.3	3.4	3.4	3.5
Baseline after GWP	(50.7)	12.9	15.5	14.5	10.1
Transformation Savings	-	1.2	2.6	5.1	5.8
RICE	(0.9)	(2.1)	(1.7)	(1.7)	(1.7)
Budget Measures	-	1.0	2.0	3.0	4.0
Net Financing Income/(Charge)	9.6	7.0	3.5	0.5	-
Overall Surplus/(Deficit)	(42.1)	20.1	21.8	21.3	18.3

Removal of Assumed Investment Return

6.23 Investment return included in the baseline income has been stripped out due to reserves being used to cover additional activities proposed in the GWP. This results in an adjusted baseline position (figure 22), which the additional actions proposed in the GWP can be built on. Investment return is added back in following the inclusion of additional costs.

Brexit and Recovery Ongoing Costs

6.24 As set out above, these are the effective service development costs for these priorities.

6.25 One of the proposed Recovery actions is to review the practical application of NICE TAs in 2022 and to decide whether to implement tranche 2. It has been assumed for modelling purposes that the conclusion of this review will be to not implement tranche 2 resulting in savings of £3.3m to £3.5m per annum to baseline costs.

Transformation Savings

6.26 These savings have been estimated to reach £5.8m by the end of 2025, although it should be noted that these are high-level estimates and will be subject to change as the work progresses on the transformation programmes.

- 6.27 There is a risk in building high level savings estimates into the financial model since there is no certainty at this point around their delivery, but they are being used to contribute towards funding identified baseline pressures; the revenue impact of capital expenditure; and the ongoing costs of the government priorities as defined through the GWP. It is for this reason that savings have been built in at 60% of the total estimated for this five-year period. It is therefore also incumbent on the States to prioritise delivery of savings and not miss opportunities to do so – this will increase the overall financial health of the States and ensure that priorities are able to be funded.

RICE

- 6.28 The revenue impact of the proposed capital expenditure (RICE) is forecast to increase baseline costs by approximately £1.7m per annum. This is the result of existing capital schemes in delivery and proposed schemes forecast for delivery in the next five years. Again, this is a high-level estimate and will be subject to change as business cases for the schemes are developed and refined.

Budget Measures

- 6.29 A conservative estimate for budget measures that will be implemented over the next five years has been included to illustrate that the States will need to make decisions in each annual Budget debate which will increase revenues. There are likely to be small changes to rates and tariffs, such as changes to TRP, Customs or Document Duty for example, that would result in additional income. To account for this £1m additional revenue per annum have been included in the financial plan.

Finance Income/Expense

- 6.30 This is the investment return estimate on the balance of the General Revenue Reserve once the additional cost of the GWP priorities have been funded. The General Revenue Reserve is projected to run out in 2024 assuming no other funds, reserves or borrowings are used first.

Operating Surplus/Deficit

- 6.31 The overall general revenue position once the proposed GWP priority actions are included is a surplus of £20.1m in 2022 declining to £18.3m in 2025 (figure 22). Post 2025 this position is expected to be a declining position with expenditure, primarily health care related, projected to increase at a higher rate than income.

'One-Off' Investments

- 6.32 Not included in the above overall position is the investment required by the GWP one-off proposals, which includes the capital portfolio, other transformation activity and recovery actions. Over the next five years it is estimated that approximately £560m (figure 23) would be required to fund capital and one-off actions, assuming the middle case scenario.

Figure 23: Middle Case – One-off Investments

One-off Investments - Middle Case (£m)	2021	2022	2023	2024	2025	TOTAL
Major Capital	26.0	86.2	123.6	107.2	66.8	409.7
Minor Capital	19.7	19.7	19.7	19.7	19.7	98.3
Capital Unforeseen	2.5	2.5	2.5	2.5	2.5	12.5
Transformation	1.0	4.3	8.1	8.0	4.5	26.0
GWP (one-off)	0.9	4.8	3.5	3.3	2.4	14.9
Investment Required	50.1	117.4	157.4	140.7	95.8	561.4

- 6.33 Full investment in the four key priorities of the GWP, including the capital portfolio, would require approximately £650m. The capital amounts below (figure 24) differ from the middle case financial plan due to a more conservative phasing applied to the middle case major and minor capital cashflow resulting in approximately £50m being pushed into 2026 and beyond. However, for funding and financing purposes the full estimated cost of the capital portfolio is included in the calculations below to ensure the full funding of the schemes are provided for. The unforeseen capital provision, Recovery actions and Transformation activities are assumed at the mid-point.

Figure 24: Funding Required

Funding Required	£m
Major Capital	433
Minor Capital	123
Unforeseen Capital	13
Total Capital	568
Recovery (one-off)	15
Transformation	26
2021 Deficit	42
Total One-Off Spend	83
Total Capital & One-Off	651

7. Funding & Financing

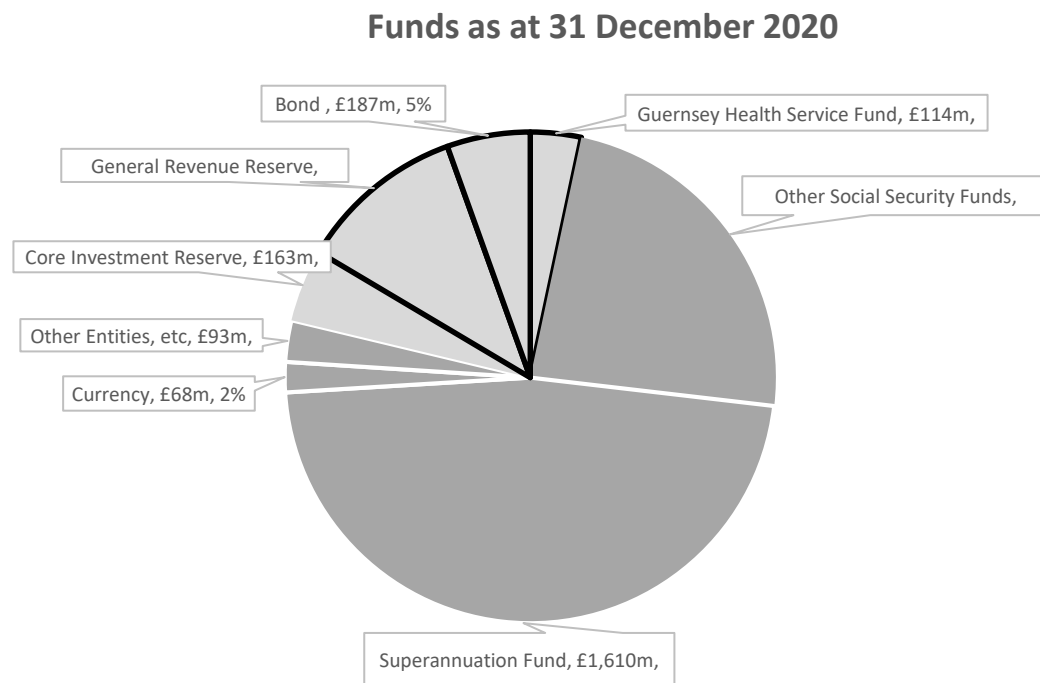
Funds Required

- 7.1 As set out above, the ongoing impacts of government's priorities have been built into the baseline. This will result in annual net surpluses in the region of £18m-£20m.
- 7.2 In addition, one-off funding is expected to be some £560m over the five-year period but for schemes estimated to cost a total of £650m. This section therefore examines the options available to the States for funding the total level of investment desired.

Available Reserves

- 7.3 The States of Guernsey hold significant funds and reserves, however, less than 20% of this balance is available to use. This can be seen by the following chart (figure 25).

Figure 25: Available Funds



- 7.4 Figure 26 indicates the value of funds that the Policy & Resources Committee considers could be used for funding the 2021 deficit and the investment proposed as part of the GWP:

Figure 26: Available Funds

Existing Reserves/Bond £m	Balance 31.12.20	Available to Use
General Revenue Reserve	375	225
GHSF	114	33
Available Reserves	489	258
Bond	160	160
Bond Reserve	27	27
TOTAL including Bond	676	445

- 7.5 Figure 26 indicates that approximately £450m could be funded through existing reserves if the States are willing to utilise the balance of the States of Guernsey bond issue, while keeping £150m (approximately 30% of General Revenue Income) of the General Revenue Reserve as contingency. Overall this would result in a funding shortfall of £200m against the £650m funding requirement.
- 7.6 In total the balance of General Revenue Reserve, GHSF, the existing bond proceeds and the Bond Reserve is £680m, which would cover the forecast investment proposed by the GWP and the 2021 deficit. However, this would leave no funds to cover the financial impacts of unforeseen events or changes to key variables, which would be a risky approach in these uncertain times with the only possible further source of funding being the Core Investment Reserve which has already been depleted.

General Revenue Reserve

- 7.7 As part of the 2021 Budget Report, the States approved the creation of the General Revenue Reserve by the closure of the Capital Reserve, Transformation and Transition Fund, Corporate Housing Programme Fund, General Revenue Account Reserve and several other smaller Funds. The total balance available within the General Revenue Reserve is £375m which the Policy & Resources Committee believes should be largely used to fund the GWP priorities.
- 7.8 Given the wide range of possible financial results illustrated in this Plan between the Best and Worst case scenarios and the current uncertainties surrounding the ongoing impact of both COVID-19 and Brexit, the Policy & Resources Committee does not think it would be prudent for the States to commit the entirety of this Reserve at this point. Therefore, it is suggested that a minimum amount of £150m

is retained in order to provide resilience, guard against future shocks and ensure that limited reserves are available for the next States.

Guernsey Health Reserve

7.9 When the States agreed to transfer the services funded from the GHSF to be managed by the Committee *for* Health & Social Care, the GHSF was discontinued as all services were, in future, to be funded from General Revenue through an increased cash limit. The balance of the GHSF was to be ring fenced and retained within the General Revenue Reserve as the Guernsey Health Reserve (GHR). This Reserve can only be used to fund:

- unanticipated expenditure pressures in providing health services that arise outside of the normal budgetary process and cannot be met within that year's budget of the Committee for Health & Social Care;
- revenue or capital expenditure on health transformation projects aimed at improving the efficiency, quality or capacity of health services in Guernsey which demonstrate long term benefits to the sustainability of Guernsey's health care system, subject to the same application process and governance conditions pertaining to the Transformation and Transition Fund or Capital Reserve;
- any transitional costs associated with implementing health related transformational programmes; and
- revenue or capital expenditure on management of cost pressures developing within the health service provision over the long term associated with the ageing of the population.

7.10 In line with these restrictions, the calculations above have included using the balance of the GHR to fund the NICE TAs in line with the specific decision and to cover the cost of reducing the backlog of elective procedures as a result of COVID-19 as prioritised in the GWP.

States of Guernsey Bond

7.11 The existing bond was issued in December 2014 and has a 32-year life, repayable in 2046. The States approved borrowing of up to £330m in 2014 with internal restrictions that it be used exclusively to lend on the capital to States owned entities, trading accounts and funds, the Guernsey Housing Association, the Alderney Housing Association and/or the Ladies' College. The terms of such loans were to be determined by the Treasury & Resources Department but on the clear condition that repayments had to be made, in full, from a secure income stream and without direct recourse to General Revenue.

- 7.12 As at 31 December 2020, loans agreed from the proceeds amounted to £184m of which £158m remained outstanding with no new loans having been made since 2019. A total of £160m therefore remains available for use and the Policy & Resources Committee believes that the States should now make the decision to make these funds available to finance the considerable investment desired as part of this GWP.
- 7.13 The cost of servicing the bond is 3.625% per annum on the balance which can be funded from the annual surpluses expected over this political term.

Bond Reserve

- 7.14 When the States agreed to the issuance of a public bond, it was agreed that a Bond Reserve would be established to hold the issue proceeds prior to any onward allocation and accumulate funds for eventual repayment at the end of the life of the bond. It also funds any costs and ongoing expenses associated with the bond, including payment of the coupon.
- 7.15 The Bond Reserve had a balance of £27m at 31 December 2020 and will no longer be required should the States decide to use the bond proceeds to fund GWP priorities. Therefore, the accumulated balance in this Reserve as at June 2021 could also contribute to funding government's priorities.

Other Reserves

- 7.16 The Core Investment Reserve is the States of Guernsey's long-term reserve, the capital value of which is only available to be used in the exceptional and specific circumstances of severe and structural decline in public sector finances or major emergencies. It had a balance of £163m at the end of 2020, after allowing for use of £50m towards the cost of business support measures. However, there may need to be a further transfer from this Reserve in 2021 to fund the cost of business support measures made available this year.
- 7.17 The balance of the Core Investment Reserve represents some 35% of General Revenue Income whereas the States have a policy for the target balance to be 100% of General Revenue Income. An additional £300m (approximately) would be required to bring this reserve up to the target level.
- 7.18 Since the time of the implementation of Zero-Ten in 2008 (when the States agreed that up to half of the then Contingency Fund could be used to support the

transition), there have been only two appropriations to the Core Investment Reserve - £5m in 2017 and £12.9m in 2018 from surpluses realised in the preceding year. The value of the Reserve peaked in 2010 at £262m (approximately 76% of revenue income).

- 7.19 The Core Investment Reserve is the only Reserve that has a balance which is not earmarked for a specific purpose. The current balance of the Core Investment Reserve could be depleted very quickly in the case of a prolonged lock-down or similar event that has an adverse impact on both government revenues and expenditure. For example, the actual General Revenue cost of the 2020 lock-down was in the region of £80m, which was part-funded by no transfer to the Capital Reserve.
- 7.20 Increasing the balance of the Core Investment Reserve gradually to £460m (2021 General Revenue Income budget), would require an annual transfer from General Revenue of approximately £8m, maintained in real terms, for twenty years, assuming a real investment return of 2.5% per annum. Given the projected level of surpluses over the medium term are insufficient to cover the required level of capital investment, it is not possible to contemplate such transfers without a substantial and sustained increase to the revenues of the States.
- 7.21 The Policy & Resources Committee believes it is financially prudent to seek to substantially increase the balance of the Core Investment Reserve in order to strengthen the longer-term financial security of the States. Therefore, it is the intention, as part of the Tax Review policy letter due to be considered by the States in September 2021, to make suitable proposals in this respect.

Financing Options

- 7.22 Given the necessity to retain a level of reserves as contingency and to support financial resilience, it is recommended that, to support the States' short to medium term investment plans, additional funds are borrowed, while still acknowledging the need to engage in other approaches to achieve a more sustainable long-term financial outlook.
- 7.23 To enable full implementation of all the priorities identified in the GWP, including the capital portfolio, the States of Guernsey would need to borrow approximately £200m. This would provide funds to ensure that one-off investments as proposed in the GWP can be funded through existing reserves and provide sufficient cover to all proposed capital schemes (from use of the balance of the bond proceeds and

additional borrowing). In addition, this would leave £150m of contingency for unforeseen events and as a buffer in the General Revenue Reserve.

- 7.24 For financial modelling purposes only, it has been assumed that debt is issued at £200m in September 2021. Borrowing funds now would have the benefit of the currently favourable market conditions, however, there are numerous detailed options which will need to be considered once the agreement in principle to borrow has been secured. For example, borrowing in stages rather than an all in one go will need to be considered with the States' short-term Revolving Credit Facility being used to provide the cash-flow required until future tranches of borrowing are let. Borrowing in tranches has the benefit of gaining more certainty over costings and detailed requirements but this will need to be considered against the cost efficiency of borrowing larger sums (particularly since borrowing of £200m would be considered below 'benchmark' value for a public issue) and the state of finance markets and any likelihood of long-term interest rates increasing. The Committee also intends to explore all forms of borrowing in order to secure the best overall value for the States.
- 7.25 While the approach set out above is the clear and strong recommendation of the Policy & Resources Committee, a no borrowing option has been set out below for comparison purposes. Assuming a contingency of £150m of the General Revenue Reserve is ringfenced and the Guernsey Health Service Fund is used only to fund the NICE TAs and reducing the Health & Social Care waitlist then this would result in approximately £50m being available for capital expenditure after GWP Recovery and Reshaping Government actions have been accounted for (figure 27).
- 7.26 The no borrowing option would not cover the estimated residual cost of the existing portfolio still to be funded (circa £60m) or the proposed "must do's" of the capital portfolio (circa £80m), which together are estimated to cost in the region of £140m. Therefore, the States would need to limit capital expenditure deferring routine and other necessary investments until sufficient build-up of reserves.

Figure 27: No Borrowing Option

No Borrowing Option	£m
2021 Deficit	42.1
Minor Capital - approved	122.9
Recovery (one-off)	14.9
Transformation	26.0
Funds Required	205.8
Available Reserves	258.4
Borrowings	-
Residual for Capital	52.7

Repayment

- 7.27 The States have a total additional funding requirement over the five-year period of up to £200m to fund the investment in capital infrastructure and systems.
- 7.28 This Funding & Investment Plan demonstrates that, after allowing for the ongoing impact of GWP priorities, financial surpluses are likely to be in the region of £15m per annum by the end of the five-year period. This is the surplus that is available to service any borrowing taken on.
- 7.29 It has been estimated that the interest charges associated with utilisation of the existing bond and new debt would be in the order of £10m per annum.
- 7.30 The States will continue to make small overall annual surpluses once the significant additional COVID-19 related costs cease. These annual surpluses can be used to replenish the General Revenue Reserve or be accumulated towards the capital repayment of the external borrowing. Should the States manage to continue to generate net overall surpluses in excess of the £15m per annum illustrated in the table in section 8 (figure 28), then they are likely to ensure enough capital is available to repay borrowing at maturity.
- 7.31 However, it should be noted that this does not enable sufficient funds to be accumulated for future government priorities and investment in delivery of future infrastructure and systems beyond this period. It will be necessary for the States to increase the annual surplus in order to do this through a combination of economic growth, restrictions on public sector expenditure and/or increased taxation.

Fiscal Policy Framework

- 7.32 The Fiscal Policy Framework set the strategic principles which guide fiscal policy in Guernsey which is based on the principle of permanent balance. That is, in the long-term, we should not spend more money than we receive.
- 7.33 The proposal to borrow in addition to the usual utilisation of reserves to support the capital requirements over the current term is intended to enable the progression of the States' priorities. However, this is a temporary solution only and a way of managing and not removing the underlying structural deficit. Without further action, beyond 2025 the States will again have to consider how best to support its spending requirements in the face of the same pressure to provide for increasing demand for existing services and maintain an appropriate level of capital investment. Reserves will have been depleted with only very limited surpluses being generated to top them up. A longer-term solution is required, and the provision of that solution will span the consideration of expenditure (covered within the States' priority 4 – reshaping government), economic growth (included within the recovery actions of the GWP) and raising additional revenues (with proposals from the Tax Review due to be considered by the States in September). All three elements will be required to achieve a sustainable solution within the principles of the Fiscal Policy Framework.
- 7.34 The borrowing proposals as set out will breach the Framework. Principle 7 of the Framework currently states:

The States' total debt should not exceed 15% of GDP

- Gross debt can be deployed only to finance the investment in infrastructure or assets.
- Any project or acquisition supported with recourse to government debt must be able to generate enough revenue to meet the repayment of that debt.
- The definition of debt includes any direct borrowing and contingent liabilities associated with guaranteeing the borrowing of States trading entities, States owned enterprises and Non-Government Organisations (NGOs)
- Guarantees or assurances offered on the operational cash flow arrangements of the States trading entities and States owned enterprises (for example the guarantee of overdraft facilities) are excluded.

- 7.35 The proposal to borrow an additional £200m to support the capital programme would increase the overall States debt (including the existing bond of £330m and the £41m guarantee provided on a loan provided to Aurigny to purchase new planes) to £571m or approximately 18.0% of GDP. Furthermore, the current profile of capital projects does not meet the framework requirement that debt can only be deployed on those projects with a defined revenue stream.
- 7.36 The Policy & Resources Committee will determine whether this should be treated as temporary, short-term infringements of the Fiscal Policy Framework or whether any changes to the Framework should be supported and will make recommendations to the States accordingly.

8. Summary

- 8.1 The following table (figure 28) presents the consolidated five-year Funding & Investment plan assuming the middle case scenario for all options.

Figure 28: Funding & Investment Plan Summary

5 YEAR PLAN - Middle Case £m	2021	2022	2023	2024	2025	TOTAL
Adjusted Baseline Position	(49.6)	13.2	16.8	15.6	11.2	7.3
GWP Revenue Impact						
Brexit (on-going)	(0.2)	(1.0)	(1.1)	(1.1)	(1.1)	(4.5)
Recovery (on-going)	(0.9)	(2.6)	(3.6)	(3.5)	(3.5)	(14.0)
NICE TA's	-	3.3	3.4	3.4	3.5	13.6
Transformation Savings	-	1.2	2.6	5.1	5.8	14.8
RICE	(0.9)	(2.1)	(1.7)	(1.7)	(1.7)	(8.2)
Budget measures	-	1.0	2.0	3.0	4.0	10.0
Baseline incl. GWP	(51.6)	13.1	18.3	20.8	18.3	18.9
Net Financing income/(charge)	9.5	6.8	3.3	0.3	(1.6)	18.3
Overall Surplus/(Deficit)	(42.1)	19.9	21.7	21.2	16.6	37.2
Capital & Transformation						
Major Capital	26.0	86.2	123.6	107.2	66.8	409.7
Minor Capital	19.7	19.7	19.7	19.7	19.7	98.3
Capital Unforeseen	2.5	2.5	2.5	2.5	2.5	12.5
Transformation	1.0	4.3	8.1	8.0	4.5	26.0
GWP - one off	0.9	4.8	3.5	3.3	2.4	14.9
Total Capital & Transformation	50.1	117.4	157.4	140.7	95.8	561.4

- 8.2 The overall deficit for 2021 is forecast to be circa £42.1m improving to a surplus of £19.9m in 2022. This surplus is forecast to increase further in 2023 to £21.7m before

reducing to £16.6m by 2025. Included in this forecast are the estimated investment returns and financing costs, which assumes new borrowings of £200m for the priorities identified in the GWP.

9. Governance

- 9.1. The mandate of the Policy & Resources Committee includes setting the framework for the planning, approval and control of public expenditure. This plan and the annual Budget Reports prepared by the Committee play a pivotal role in ensuring there is a clear and transparent planning framework. It is the intention of the Committee to ensure that the baseline is updated on an annual basis in order to build on the good work done to establish the model and ensure that the States are always able to take a four-year forward view of finances.
- 9.2. Following consideration of the GWP, and any amendments, the States will agree the priorities for this term, particularly the next 18 months. The Policy & Resources Committee will ensure that the budgeting framework reflects these priorities and will therefore not be inviting service development proposals from Committees in future Budget rounds.
- 9.3. Although extensive work has been undertaken across the States in the development of the GWP, many of the resourcing requirements and costings for the proposed priority actions are currently high-level estimates. It has not been possible, given the speed at which the plan has been developed, to review or challenge any of the costings at this stage and therefore the amounts should be regarded as illustrative. As such, the Committee recognises that ultimate funding requests may be higher or lower than the figures provided at this stage. It also recognises that some of the priorities which currently show no funding required might, in due course, need a budget.
- 9.4. Further work will be required to develop the costings for priority actions in more detail before funding requests are made to the Committee either in year or as part of the budget setting process. Funding requests are expected to be proportionate and realistic and not include large contingencies. In reviewing funding requests, the Committee intends to take a pragmatic but robust approach to ensure that it is properly discharging its responsibility for the approval and control of public expenditure.
- 9.5. Having considered the need for the delivery of capital investment to be accelerated, it is also proposed that we further refine the governance arrangements around capital schemes to ensure that assurance and approval pathways are

proportionate. The proposals that follow should ensure that there is greater agility in the development of these schemes and further strengthen the focus on affordability and public value for money while protecting the States' commercial position.

- 9.6. It is proposed that the level of assurance and reviews and the approvals pathway for each scheme are agreed at the outset between the sponsoring Committee and the Policy & Resources Committee which will be captured in a scoping document. This should include the scope, goals, objectives and estimated timescales as well as indicative costs. It is proposed that the scoping document is agreed at the earliest opportunity to inform affordability considerations, potential funding routes and, importantly, the requirement for and timing of States' decisions.
- 9.7. The Committee believes that it is difficult to implement standard approaches to schemes as to whether and when further States' decisions are required. This was evidenced in the last term when some projects were brought to the States early in their development to seek agreement on the scope and objectives. Others were only submitted for States' approval once all planning had been undertaken and the project was ready to commence.
- 9.8. The Policy & Resources Committee wishes to ensure that the States can consider, at an appropriately early stage, the direction which certain schemes need to take. For other projects, such as 'must do' or straightforward schemes, it considers that the best overall result is for the scheme to be implemented as timeously as possible and that a decision by the States, simply to approve funding, is an unnecessary governance requirement which simply slows progress. Therefore, each scoping document will need to set out any requirement for States' decisions which is likely to be dependent on risk, value, public interest and political judgement.
- 9.9. In addition, the Committee is concerned that the States' commercial position is often compromised by the setting out of project costs in public documents ahead of competitive procurement processes. Therefore, the Policy & Resources Committee wishes to recommend that it be given delegated authority to approve funding for all schemes in the portfolio up to the maximum costed portfolio value set out in Appendix 11.9. The Committee appreciates that this is a significant additional responsibility which it takes extremely seriously. On balance, it believes that this will deliver better public value and momentum in delivery. The Policy & Resources Committee will work closely with each sponsoring Committee to agree scope, take any States' direction from Resolutions and test and challenge the project business cases. Funding approval will be dependent on receiving the necessary assurances that the scheme represents best value and can be delivered

according to the approved business case. The Committee will develop an approach for reporting back to the States on the use of this delegated authority to ensure transparency in the use of public funding.

- 9.10. Finally, the Committee does not wish to see time and effort wasted in documenting business cases beyond the elements necessary and proportionate to each scheme. Therefore, it wishes to see training extended to ensure that senior colleagues are equipped to apply the business case guidance proportionally, bolster leadership development and equip senior officers to lead complex schemes. It also strongly urges multi-disciplinary working across the public sector to ensure delivery of the best possible solution. This means that disciplines such as policy and strategy, strategic procurement, treasury and portfolio delivery functions are engaged early in the development of schemes to inform investment decisions and ensure continued alignment with the GWP priorities.

10. Risks & Opportunities

- 10.1 The economic outlook is looking more positive than it did six months ago, however, there are still many uncertainties resulting in significant risks and opportunities to this Funding & Investment Plan. Due to the uncertainties identified below it is recommended that the Plan be updated on an annual basis considering latest available information.

COVID-19

- 10.2 The most significant risk is still COVID-19. The Bailiwick's quick and successful response to this global pandemic has resulted in a better outcome than that seen by other jurisdictions since the initial outbreak. It has also gone on to swiftly deliver a vaccination programme and implement a robust testing, track and trace system. However, there is still sizeable risk, not only to the community's health and wellbeing but also to the economic environment and public finances. No future lockdowns have been built into the plan, no travel restrictions have been assumed post 2021 and neither has there been an allowance for new or extended business support measures where this hasn't already been agreed. These are all sizeable risks.

Brexit

- 10.3 The impact of Brexit continues to be a major risk with work continuing to bring clarity around the full impact this will have on the Bailiwick. Systems, processes and legal formalities are all required to undergo substantial change to ensure the Bailiwick

remains safe, open to business and meets all necessary international standards. An allowance of approximately £1.1m per annum has been built into the financial plan but this is likely to change once the implications of new requirements are fully understood.

Economic Factors

- 10.4 The economic environment is both a risk and an opportunity to the Funding & Investment Plan and this uncertainty is enhanced by COVID-19 and Brexit. Recovery and economic growth rates can have a significant impact on general revenue income as highlighted in the sensitivity section of this plan. The GWP has prioritised actions to enhance and encourage growth of the Bailiwick's economy to help mitigate some of this risk. If successful, these actions could present a sizeable boost to the economy and general revenue income. Due to the uncertainties around the financial benefits of such actions they have not been specifically included in the Funding & Investment Plan.

Inflation

- 10.5 During 2021, worldwide inflation has been increasing because of the economic disruption caused by the COVID-19 pandemic. Higher inflation in the coming years presents both a risk and an opportunity to the States' financial position. Should inflation impact both revenues and expenditure equally, then the impact will be minimal. However, should price inflation increase sharply and revenues not keep pace in real-terms, then it could result in a significant deterioration in the financial position.
- 10.6 One opportunity which may arise as a result of higher inflation is a reduction in the real-terms cost of borrowing, especially if entered into at a fixed rate of interest.

Financial Implications of the GWP Recovery Actions

- 10.7 The actions within the GWP have been costed using the information available at the time, however, it should be noted that many of the actions identified were, and still are, in their early stages of development with many unknown factors about how these actions will be delivered. There is a significant risk that costs will be higher or lower than the financial estimates calculated in this plan. Furthermore, there is a strong possibility that different or additional actions may be prioritised resulting in higher or lower costs than in the plan.

Public Service Transformation

- 10.8 There are several workstreams delivering or planning to deliver public service transformation and as per the recovery actions many of these are in design or early development stages where the costs and deliverables are uncertain. Best estimates have been included in the Funding & Investment Plan based on the information currently available, but figures are likely to change as workstreams develop and mature. An element of this risk has been applied to the savings projections that these workstreams are forecast to deliver. The middle case assumes that 60% of the savings forecast will be achievable. However, there is still notable risk that savings will not be fully realised and that there will be a shift in the cost of delivering transformation activity. On the other side, there is an opportunity overall should the projected level of savings be delivered which would considerably strengthen public finances.

General Cost Pressures

- 10.9 There is a risk that when preparing the budget each year further cost pressures or service developments not included in the Funding & Investment Plan are identified.

Housing Stock

- 10.10 An opportunity to transfer the housing stock to the GHA is currently being assessed to understand the benefits and risks. One model might be that the States of Guernsey housing stock would be sold to GHA, who would borrow the purchase sum from the States, and would take on the ownership and day to day responsibility of its management. There is a risk that a significant amount of investment may need to be made into the housing stock in the future if not sold. However, early analysis indicates that if the transfer did happen then this would result in a negative net impact of £12m to general revenue, compensated by a capital receipt in the order of £150m which would reduce the requirement to borrow for general revenue purposes. The transfer of the housing stock has not been built into the Funding & Investment Plan.

11. APPENDICES

11.1 FUNDING & INVESTMENT PLAN – Best/Worst/Middle

<u>£m</u>	WORST CASE					MIDDLE CASE					BEST CASE				
	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025
Adjusted Baseline Position	(88.6)	(12.0)	(6.7)	(9.4)	(15.4)	(49.6)	13.2	16.8	15.6	11.2	(32.9)	26.4	27.5	27.2	23.6
<u>GWP Revenue Impact</u>															
Brexit (on-going)	(0.4)	(1.6)	(1.6)	(1.6)	(1.6)	(0.2)	(1.0)	(1.1)	(1.1)	(1.1)	(0.2)	(0.9)	(1.0)	(1.0)	(1.0)
Recovery (on-going)	(1.1)	(3.2)	(4.5)	(4.4)	(4.4)	(0.9)	(2.6)	(3.6)	(3.5)	(3.5)	(0.7)	(2.2)	(3.0)	(2.9)	(2.9)
NICE TA's	-	3.3	3.4	3.4	3.5	-	3.3	3.4	3.4	3.5	-	3.3	3.4	3.4	3.5
Baseline after GWP	(90.1)	(13.5)	(9.4)	(12.0)	(17.9)	(50.7)	12.9	15.5	14.5	10.1	(33.8)	26.6	26.9	26.7	23.2
Savings	-	0.8	1.7	3.4	3.9	-	1.2	2.6	5.1	5.8	-	2.1	4.3	8.5	9.7
RICE	(1.0)	(2.3)	(1.9)	(1.9)	(1.9)	(0.9)	(2.1)	(1.7)	(1.7)	(1.7)	(0.9)	(1.9)	(1.6)	(1.6)	(1.5)
Budget Measure	-	0.5	1.0	1.5	2.0	-	1.0	2.0	3.0	4.0	-	1.5	3.0	4.5	6.0
Net Financing income/(charge)	7.7	3.3	-	-	-	9.6	7.0	3.5	0.5	-	9.2	7.7	6.3	5.1	3.8
Overall Surplus/(Deficit)	(83.3)	(11.1)	(8.6)	(8.9)	(13.9)	(42.1)	20.1	21.8	21.3	18.3	(25.5)	36.0	39.0	43.2	41.3
<u>Capital & Transformation</u>															
Capital - Major	52.1	120.3	126.9	87.5	46.0	26.0	86.2	123.6	107.2	66.8	66.2	66.3	66.4	66.4	66.5
Capital - Minor	24.6	24.6	24.6	24.6	24.6	19.7	19.7	19.7	19.7	19.7	14.7	14.7	14.7	14.7	14.7
Capital Unforeseen	5.0	5.0	5.0	5.0	5.0	2.5	2.5	2.5	2.5	2.5	-	-	-	-	-
Transformation	1.5	6.0	11.3	11.2	6.3	1.0	4.3	8.1	8.0	4.5	0.6	2.6	4.9	4.8	2.7
GWP - one off	1.1	5.8	4.3	3.9	2.8	0.9	4.8	3.5	3.3	2.4	0.7	3.8	2.8	2.6	1.9
Investment Required	84.2	161.6	172.0	132.3	84.7	50.1	117.4	157.4	140.7	95.8	82.3	87.5	88.8	88.6	85.9
5 YEAR 'ONE-OFF' INVESTMENT TOTAL					£ 635					£ 561					£ 433

*Additional income/(charges) relating to new borrowing not included in above table

11.2 BASELINE ASSUMPTIONS

1. Current services remain 'as is'
2. Financial impact of policy decisions due for implementation by 2025 are included
3. Approved service developments as per the Budget Report for 2021 are included
4. 2019 and 2020 figures inflated to 2021 prices
5. No inflation included from 2021 onwards
6. Central case GVA forecast used for income modelling (see below)
7. Key population assumptions:
 - i. Net migration of +200 per annum
 - ii. 1.5 fertility rate
8. Bailiwick border restrictions/travel assumptions:
 - i. Limited travel over the summer with test and isolation requirements in place
 - ii. Increased travel from 1st October 2021 with reduced test/isolation requirements
 - iii. BAU from January 2022
9. Pay assumptions:
 - i. Approved pay awards for 2020 and 2021 are built into the baseline
 - ii. No further pay awards are included
 - iii. 0.5% above inflation pay increase included as per historic average and as used by the States' Actuary when compiling the periodic Actuarial Valuations of the Public Service Pension Scheme
10. Investment returns assumed at 2.5%
11. GVA forecast assumptions:
 - i. Central Case:

Assumes the economy recovers most of the activity lost in 2020 in 2021 but remains approximately 0.2% short of the real value of GVA output in 2019.

Ongoing pressures manifest in sectors most impacted by travel restrictions such as Hospitality and Transport & storage, with these sectors remaining well below their 2019 output levels in 2021. Further recovery of these sectors is distributed across 2022 and 2023. Lost finance sector activity (predominantly in the form of lost employment in the banking subsector) is expected to recover over a period of 2-3 but may manifest in a further shift away from banking services towards the provision of other financial services such as investment, fiduciary and insurance provision.

Demand for domestic services such as Construction is expected to remain high in 2021 and into 2022 driven by a surge in the housing market, but demand for these services is expected to ease as travel becomes less restricted and domestic consumption patterns return closer to their pre-Covid19 distribution.

Migration patterns in Guernsey are cyclical and the assumed long-term net immigration level remains +100 people per year reflecting the average level over a twelve-year period (the length of the available time series). However, levels of net immigration immediately prior to the pandemic were high and the secondary evidence suggests that, allowing for the disruption in the movement of seasonal workers, net migration has continued above the long-term rate through 2020 and 2021. It has therefore been assumed that the short to medium term average level of net-immigration will be above the longer-term average at 200 people per annum.

Beyond the initial recovery in 2021 this scenario creates an average annual growth rate of 0.6%. This scenario assumes a permanent loss of economic activity against previous forecasts of around 0.5% to 1.0% (approximately 1-2 years real growth)

ii. Upper case:

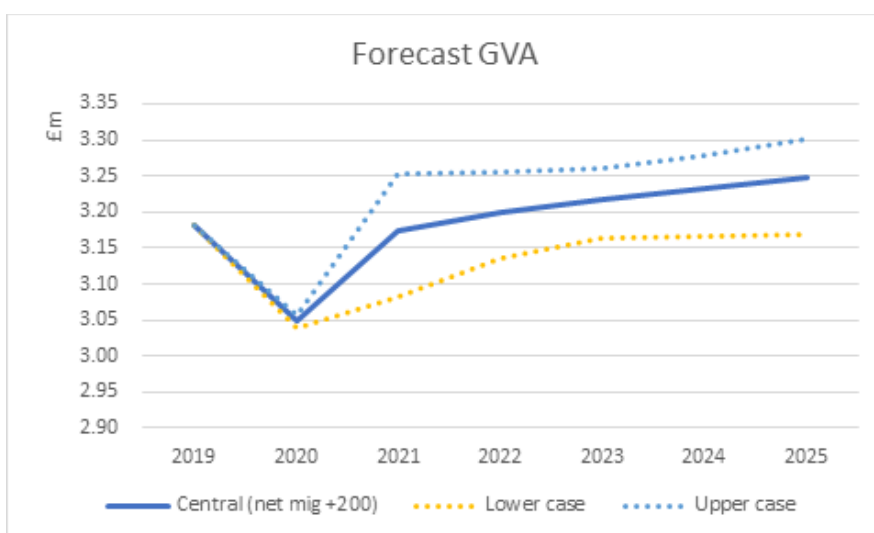
Assumes an overall recovery of real GVA output to approximately 2% above its 2019 level in 2021 driven by a higher level of net immigration and real growth in Professional and IT services and a faster recovery within finance sector and those sectors, such as Hospitality and Transport & storage. This faster recovery returns the economy to a steady growth state at an earlier point, accelerating growth rates at the end of the period slightly above the central case.

This scenario assumes no permanent loss of economic activity against previous forecasts.

iii. Lower case:

Assumes a longer recovery period with less economic recovery achieved in 2021, and more recovery pushed back into 2022 and beyond, particularly in those sectors most dependent on travel with less new activity manifesting in IT and professional sectors. Lasting impacts on Wholesale, retail & repairs sector are more pronounced accelerating the previous declining trend in the sector. The available capacity of the Construction sector is insufficient to allow the level of expansion in the sector in response to current strong demand conditions assumed in the central case. Net migration is assumed to be positive in 2020 and 2021 but no net migration is assumed beyond 2021, resulting in a slightly slower real growth rate at the end of the projected period.

In this scenario the total level of GVA is not forecast to return to 2019 levels in real terms until beyond 2025. The permanent loss of economic activity against previous forecasts of around 4%



11.3 2019 & 2020 RECONCILIATIONS

Reconciliation to Published Accounts	of	Baseline	£'000	
			2019	2020
Published accounts - Adjusted Surplus/(Deficit)			62,676	(43,904)
Transfer to Capital Reserve			(58,861)	-

Baseline - Surplus/(Deficit)	3,815	(43,904)
GHSF Transfer - General Revenue Impact	(1,343)	(3,771)
Capital Reserve Investment Return	34,474	22,501
Capital Portfolio Management	(491)	(550)
Guernsey Finance	(400)	(400)
Locate Guernsey	(486)	(421)
Digital Greenhouse	(267)	(291)
Inflation net impact *	1,139	(429)
Total Adjustments	32,626	16,639
Baseline - Adjusted Surplus/(Deficit)	36,441	(27,265)

11.4 RECOVERY ACTIONS COSTINGS

Area of Focus	Recovery Actions	On-going/ One-off	Forecast Additional Revenue Spend (£'000)					
			2021	2022	2023	2024	2025	Total
Accelerate the digital economy	Digital Framework - Invest in and develop the local digital economy							-
	Establish regulation and legislation necessary for the digital sector							-
	Continued Support for digital skills and pathways (continued Digital Greenhouse offering)							-
	Promote and support innovation, transformation and entrepreneurial growth in the digital sector (scale-ups)							-
	Establish Future Telecoms Strategy							-
	Implement a universal fibre broadband network							-
	Establish 5G Licensing							-
Invest in Nature and the Natural Economy	Blue economy - carry out marine habitat mapping & deliver a natural capital pilot	One-off						-
	Blue economy – develop a marine natural capital database and atlas	One-off		136	136			271
	Blue economy – conduct a marine biodiversity net gain pilot	One-off						-

Area of Focus	Recovery Actions	On-going/ One-off	Forecast Additional Revenue Spend (£'000)					
			2021	2022	2023	2024	2025	Total
	Blue economy – fully develop marine biodiversity net gain	One-off			40	40		80
	Develop a Blue Economy Supporting Plan	One-off				215		215
	Develop a Marine Biosecurity Plan	One-off						-
	Green economy – carry out a natural capital pilot	One-off				82		82
	Green economy - carry out a biodiversity net gain feasibility study	One-off				63		63
Enable Accessible and Affordable 21st Century Health and Care Services	Implement NICE TA Drugs - Trance 1							-
	Review practical application and next stages [of NICE TA Drugs]	One-off		150				150
	Extend Long Term Care Scheme to include Care at Home							-
	Scope the review of a funding delivery model for primary care							-
	Develop future model for funding and delivering primary and community care							-
	Develop and run an enhanced mental health service pilot							-
	Commence the Human Tissue and Transplantation Law							-
	Transfer health benefit operation to the Committee for Health & Social Care							-
	Secure indemnity Insurance for health and care providers							-
	Deliver PEH modernisation - phase 1 to 3, including PEH Energy and Pathology and Laboratory services							-
Enable opportunities for regeneration	Conclude appraisal of government involvement in developing Leale's Yard							-
	Determine the future aggregate supply decision							-
	Complete Development Frameworks for all Regeneration Areas							-

Area of Focus	Recovery Actions	On-going/ One-off	Forecast Additional Revenue Spend (£'000)					
			2021	2022	2023	2024	2025	Total
Meet Housing Needs	Conclude decision making on the future inert waste facility							-
	Determine the future Strategic use of Les Vardes quarry							-
	Develop more detailed proposals for future harbour development and see States approval							-
	Continue harbour planning and investigation as required. Carry out essential and time dependent work							-
	Establish Seafront Regeneration Advisory Board (SRAB)							-
	Develop the seafront masterplan	One-off		975				975
	Prepare for and implement the masterplan							-
	Develop and agree a Bridge Strategy - with a focus on coastal defence considerations and excluding St Sampson's harbour							-
	Assess the future use of States-owned affordable housing units							-
	Establish the Housing Action Group and scope and deliver urgent measures necessary in the current housing market							-
	Introduce a General Housing Law							-
	Conclude reports on the housing provision strategic review and the GHA and housing operational review and reach States agreement							-
	Develop and seek States approval of the States Strategic Housing Indicator							-
	Explore long-term housing market intervention options							-
	Review availability, provision and funding of accommodation for elderly people in Guernsey							-

Area of Focus	Recovery Actions	On-going/ One-off	Forecast Additional Revenue Spend (£'000)					
			2021	2022	2023	2024	2025	Total
	Review housing provision for key workers							-
	Review the provision of emergency accommodation in Guernsey							-
Invest in the Finance Sector	Invest additional funding into promoting Guernsey's finance sector	One-off	500	1,000	1,000	500		3,000
Invest in the Visitor Economy	Establish a tourism plan and campaign							-
	Invest in tourism product and accommodation							-
Keep the Island safe and secure	Introduce effective and proportionate regulation for health and care	On-going			194	165	140	499
	Implement Capacity Law	On-going			100	100	100	300
	Develop framework building on criminal justice strategy to respond to social justice needs	One-off	400	600				1,000
	Update the Domestic Abuse Strategy - States Agreement	On-going	184	350	525	525	525	2,109
	Reform the Adoption Law - Primary Legislation							-
	Review Children Law and Outcomes							-
	Introduce the Discrimination Ordinance - Phase 1 (legislation required to be in force by end 22)							-
	Discrimination Ordinance Phase 2 (A) – Age and Sex Grounds							-
	Amend the vetting and barring scheme legislation							-
	Update sexual offences legislation							-
	Update parole legislation							-
	Explore options for alternative and non-punitive approaches to the possession and use of small quantities of illegal drugs							-
	Amend domestic proceedings in line with the Matrimonial Causes Law							-

Area of Focus	Recovery Actions	On-going/ One-off	Forecast Additional Revenue Spend (£'000)					
			2021	2022	2023	2024	2025	Total
	Update RIPL legislation (Regulation of Investigatory Powers Law)							-
	Update PACE legislation (Police and Criminal Evidence)							-
	Update sentencing policy							-
	Implement a requirement to pass a theory test prior to driving on the road as a provisional license holder							-
Enable responsive population measures	Assess impact and recommend actions to amend population and immigration policies							-
Promote Education, Skills and Learning	Conclude Secondary and Post-16 education policy review							-
	Follow on actions – implement policy decisions as agreed by the States (Secondary and Post-16 education)							-
	Identify actions needed to successfully grow knowledge and skills to reach our potential and build resilience in people (including digital skills development and immediate action delivery where possible)	On-going	500	700	400	400	400	2,400
	Repeal and replace the Education Law - ProJet							-
	Repeal and replace the Education Law - Ordinances							-
	Implement the recommendations of the nasen Report on SEND provision	On-going		200	600	600	600	2,000
	Strategic Investment in continuous education improvement (including inspection response requirements)							-
	Plan and deliver the Guernsey Institute							-
	Plan and deliver digital transformation for schools							-

Area of Focus	Recovery Actions	On-going/ One-off	Forecast Additional Revenue Spend (£'000)					
			2021	2022	2023	2024	2025	Total
Secure future energy requirements	Update the Electricity Strategy							-
	Explore grid options, complete the interconnector business case, and seek States' decision							-
	Dependent on decision, plan and deliver the interconnector/grid changes.							-
	Agree cost reflective tariff for electricity							-
	Develop a licensing framework to support on-island renewable energy							-
Secure transport connectivity and infrastructure	Determine air and sea links policy							-
	Support air route connectivity	On-going		800	800	800	800	3,200
	Upgrade the airport baggage handling system - stage 1 and 2							-
	Conclude Guernsey Airport runway extension decision							-
Support healthy living	Scope and deliver SOHWELL Phase 3	On-going			250	250	250	750
	Plan and agree the design of a Community Hub (including consideration of children and family services and a wellbeing centre)							-
	Deliver a Community Hub (including consideration of children and family services and a wellbeing centre)							-
	Implement a system to reduce backlogs and waiting times in HSC	One-off		1,950	1,950	1,950	1,950	7,800
	Finalise the Law required to create a statutory trust to consolidate King George V Memorial Playing Field Trust and the Friends of KGV trust							-
Unlock enterprise	Scope actions necessary to support local entrepreneurship and							-

Area of Focus	Recovery Actions	On-going/ One-off	Forecast Additional Revenue Spend (£'000)					
			2021	2022	2023	2024	2025	Total
	diversification post-Covid-19							
	Scope the options for Guernsey enterprise zones	One-off			417	417	417	1,250
	Enhance the Guernsey Aircraft Registry	On-going	50	100	100	100	100	450
	Support emerging economic opportunities							-
	Consider the introduction of Enterprise Investment Schemes							-
	Introduce investor/entrepreneur visas							-
	Conduct a second red-tape review							-
TOTAL ADDITIONAL REVENUE EXPENDITURE			1,634	6,961	6,511	6,207	5,282	26,594

On-going	734	2,150	2,969	2,940	2,915	11,708
One-off	900	4,811	3,542	3,267	2,367	14,886

11.5 MANAGING THE EFFECTS OF BREXIT & MEETING INTERNATIONAL STANDARDS

MANAGING BREXIT & MEETING INTERNATIONAL STANDARDS	Forecast Additional Revenue Spend (£'000)				
	2021	2022	2023	2024	2025
Health & Safety and Trading Standards - Capacity & Expertise	-	109	109	109	109
Trading Standards - software license	-	10	10	10	10
Sea Fisheries - Services	-	15	15	15	15
Revenue Service - Capacity	25	98	98	98	98
Revenue Service - Software license	5	20	20	20	20
Economic Development - Delivery of trade obligations	50	200	200	200	200
Borders, Law Offices - Project support	-	30	30	30	30
Borders, Law Offices - Capacity & Service Development	15	147	155	163	171
Customs & Excise - Service Development	75	180	210	210	210
Immigration - Capacity & Service Development	55	75	75	75	75
SPS/border control - Consultant retainer	-	8	8	8	8
Environmental Health - Capacity & Expertise	-	50	50	50	50
General provision	20	100	100	100	100
TOTAL ADDITIONAL FORECAST REVENUE SPEND	245	1,042	1,080	1,088	1,096

11.6 RE-SHAPING GOVERNMENT

Transformation Costs	Forecast Additional Revenue Spend/Savings (£'000)					
	2021	2022	2023	2024	2025	Total
Public Service Transformation - Phase 2		2,500	5,000	5,000	2,500	15,000
Organisational Restructure	196	753	2,058	2,000	2,000	7,007
Transforming Health & Social Care	843	1,036	1,036	1,036		3,950
Total Transformational Spend	1,039	4,289	8,094	8,036	4,500	25,957
Phase 1 savings		1,680	4,400	4,400	4,400	4,400
Phase 2 savings			1,000	2,000	3,000	3,000
Savings (cumulative)	-	1,680	5,400	6,400	7,400	7,400

Note: Phase 1 savings are in addition to the £4m transformation savings approved in Budget 2021.

11.7 REVENUE IMPACT OF CAPITAL EXPENDITURE

Cumulative £'000	RICE	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Electronic Patient Record System	-	90	50	40	25	
Virtual Machine Environment (VME) Replacement	-	171	171	171	171	171
Programme Funding for SAP Roadmap	-	100	100	100	100	100
Mont Crevelt Breakwater Reinstatement	200	200	-	-	-	-
Online Passport and Workflow System	-	143	143	143	143	143
Guernsey Airport Hold Baggage System Upgrade – Phase 2	-	182	109	109	109	109
TTBSS (EDP/Hub)	650	1,000	1,000	1,000	1,000	1,000
Total Additional Savings		850	1,886	1,573	1,563	1,548

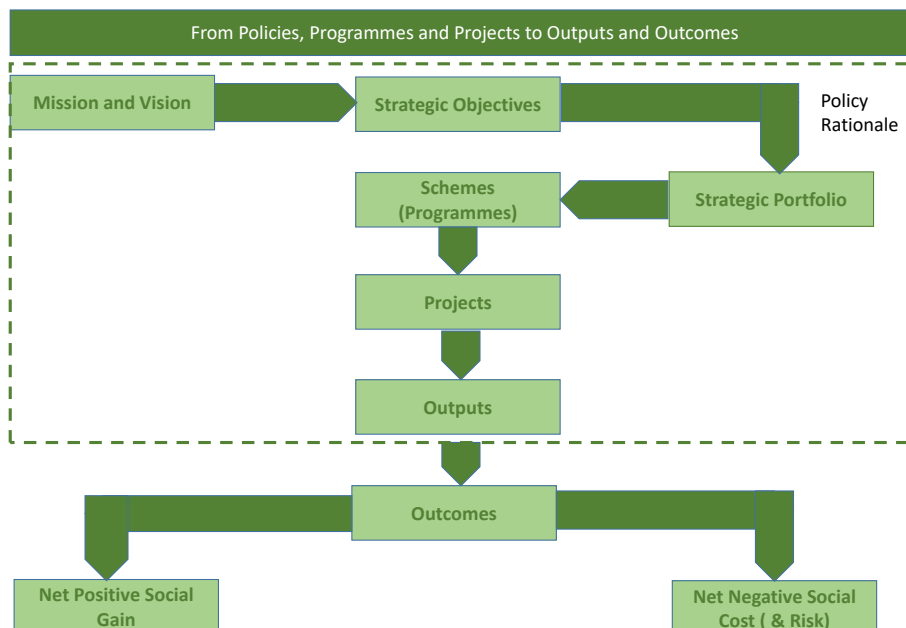
11.8 ALIGNMENT OF PROPOSED CAPITAL PORTFOLIO STRATEGIC DIRECTION

Figure 1 – Typical environment for programme management



The GWP provides the rationale and context for programmes and is important because experience demonstrates that a programme begins most effectively when it is launched as part of a clear organisational strategy. The process of policy development should be based on objective evidence. Research and due diligence activity should take place early on, before the process of more detailed policy development or business case development and appraisal begins. This is reflected in the proposed designation of schemes as either delivery or pipeline and the spread of indicative timeframes over the next 1-4 years and 4 years plus.

Figure 2 – Explanation of relationship between strategic vision and outcomes



It is also essential that we invest in the projects which are financially viable, the recurrent costs of which can be met and that the proposed benefits represent value for money.

The portfolio must not outstrip the organisation's capacity and capability to deliver which has been the case over the last few rounds of capital prioritisation (i.e. previously a wish list of schemes).

In reality, there are always more ideas and opportunities than resource available. Therefore, limited resources need to be used wisely to support future recovery, manage our infrastructure and continuing to transform public services. The investments we make are not to create assets, but to solve problems and secure better outcomes.

However, owning the right assets, managing them well, funding them sustainably, and managing risks are also critical to the ongoing provision of high-quality and cost-effective public services. It is essential that public funds are invested wisely to invest in schemes that will benefit the Bailiwick as a whole.

We have assessed the % of schemes within the proposed portfolio that contribute in some way to the Government Work Plan outcomes. We have also mapped the schemes against each of the 4 principles within the Government Work Plan. Schemes are either fully aligned (FA), partially aligned (PA) or not aligned (NA).

Very few schemes show no alignment, and this is only the case where the scheme is considered to be a must do scheme due to compliance or replacement considerations or is a pipeline scheme which needs further investigation to confirm the direction of travel. All delivery schemes (that are not must do schemes) are either fully aligned or partially aligned to the GWP principles.

The Development of the New Portfolio

On 26th January, P&R approved proposals to adopt the following approach to prioritising the next capital portfolio:

- The development of a portfolio in two parts: Delivery (commence delivery in years 1-4) and Pipeline (commence delivery years 4+).
- Prioritisation on the basis of contribution to the Government Work Plan's guiding principles and strategic outcomes as well as constructing a capital portfolio that is both balanced and deliverable.

- A simple to use process aimed at gathering, assessing and ranking proposals in a consistent way, tailored to scheme maturity.

The approach taken in this capital prioritisation exercise has sought to build on previous experience and incorporate 'lessons learned' and best practice guidelines.

The work to define the portfolio has been developed in four phases.

(1) Understand

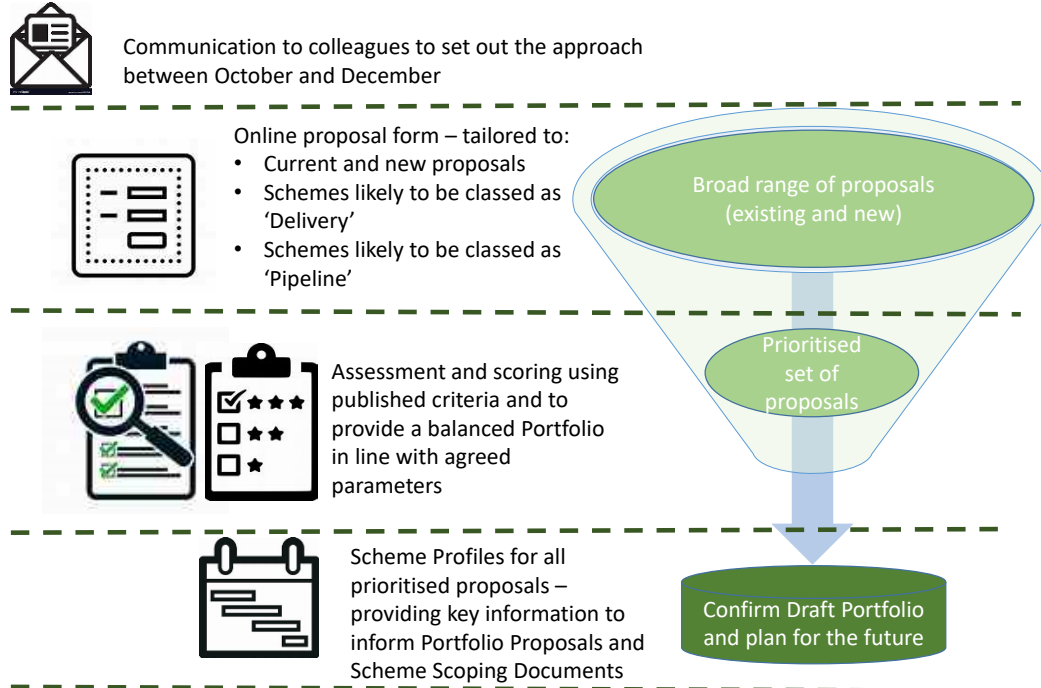
The purpose of this phase was to obtain a clear and transparent view of the current projects in the portfolio plus the projects which are in planning, under development and wishing to be included in the portfolio.

Committees were invited to submit an online proposal for all current capital schemes that have not yet commenced delivery together with any new schemes.

Colleagues from across the organisation have played a crucial part in supporting the prioritisation approach. Operations Directors have ensured alignment of capital projects with operational activity and were sighted on proposals. Committee Secretaries coordinated submissions on behalf of sponsoring Committees to ensure political support. Scheme Senior Responsible Officers supported by Programme and Project Managers ensured that the online forms were completed fully and on time.

The primary tool used to gather information and to inform subsequent assessment was an e-form, tailored to be proportionate in line with scheme maturity (i.e. whether a scheme was likely to fall into the delivery or pipeline category, or span both). Applicants were therefore routed through the form to relevant questions once maturity and target timelines were established. The form was designed not be over bureaucratic or complex, and so could be completed with ease. Colleagues were provided with comprehensive guidance notes, support from a dedicated team as well as access to frequently asked questions and answers via the portfolio portal.

Figure 3 – summary of process



A total of 39 online proposals were received: 27 schemes are previous portfolio schemes resubmitted and 12 are new proposals. The values attached to the totality of all submissions for the capital portfolio are as follows:

Figure 4– the totality of the scheme submissions

	Proposals Received	Mid Value	Max Value
Previous schemes – (re-submitted with new values)	27	£901m	£1.3bn
New Proposals	12	£87.5m	£125m
Total	39	c£988.5m	c£1.4bn

(2) Prioritise

The initial assessment team was led by the Portfolio Director and supported by a cross-organisation team that included the Head of Policy and Strategy, the Portfolio Delivery Director and a Finance Business Partner.

Each scheme was considered carefully against the published criteria using the content of each e-form. Schemes were assessed initially on the basis of their attractiveness rather than from an affordability perspective. They were scored against each of the criterion depending on the extent to which they met/impacted on/aligned with/supported the GWP, case for change, overarching benefits and deliverability. The initial assessment was reached through a series of scoring panel sessions.

This initial assessment was then shared with the States Treasurer and Strategic Policy Leads to debate, categorise and reach proposals.

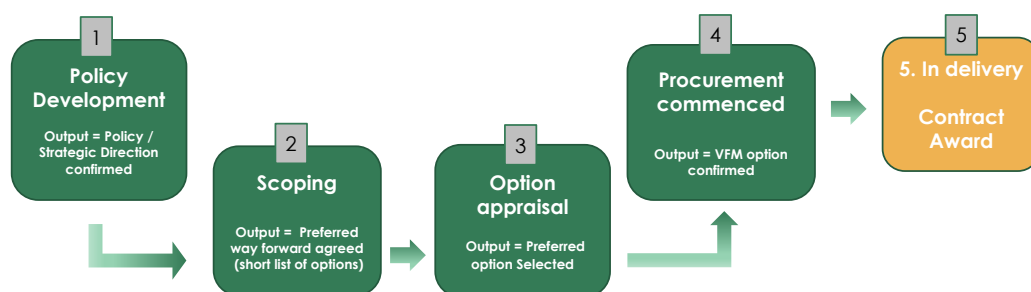
This has not been a 'tick-box exercise'. While a reasonably standardised approach has been deployed, and is of value, judgment has also been exercised.

(3) Categorise

The portfolio will have two categories:

- **Delivery**: containing schemes that are planned to start delivery within the four-year funding round.
- **Pipeline**: containing schemes aimed at being delivered in the future, (longer than a four-year timeline) but with seed development funding being provided over this term.

These two categories have been further defined (dependent on scheme maturity) against 5 key stages in the scheme development. This has been considered by the Strategic Leads and States Treasurer and the supporting portfolio prioritisation scoring team to adjust categorisation to help balance the portfolio:



In Delivery there are two types of categorisation in the Delivery Portfolio:

- Type A - Schemes which will reach contract award by 2024;

- Type B – Mostly Programmes where some phases will reach contract award by 2021 and some phases that will reach contract award post 2024

Type A Schemes are largely distinct projects while Type B are mostly programmes with dependent projects normally extending over a longer period of time.

Schemes that are categorised as pipeline are those that will reach contract award post 2024 with seed funding for development work only at this stage. Development is required to determine whether pipeline schemes are a robust investment. Therefore, pipeline schemes are not guaranteed to be in the next portfolio (2025-2028).

We anticipate that within the 4 years, there will be preliminary work only for pipeline schemes that will provide for example clarity in terms of a strategic decision, support feasibility studies and research.

To further explain the categorisation:

Figure 5 – explanation of categorisation

Type	Funding	Example
DELIVERY		
A - Schemes which will reach contract award before 2024	Funding for development work and contract award within 4 years	Bus Fleet Replacement Phase 3 – contract award within 4 years
B - Mostly Programmes with phases will reach contract award before 2024 and some phases which will reach contract award post 2024.	<p>Funding for development work and for contract award before 2024</p> <p>Funding for development - funding for post 2024 contract award subject to affordability</p>	<p>Hospital Modernisation where Phase 1 contract award is expected before 2024. Phases 2 and 3 will be subject to affordability at time of considering the contract award post 2024*</p> <p>*Could/should include Pathology/Laboratory services PEH Energy upgrade (mid-range costs)</p> <p><i>The indicative costs for the whole programme are currently included in the delivery portfolio rather than split across both timelines. The portfolio on a page shows the mid-range costs whereas the costs within the following tables show the indicative mid – max cost range (Appendix 2 Figures 3,4 and 8)</i></p>

Type	Funding	Example
PIPELINE		
Schemes which will reach contract award post 2024	Funding for development work only	Seafront Enhancement Area Programme. Can be included in the delivery portfolio if progressed quicker than planned

Schemes can move between categories if they progress at a faster or slower pace than expected. This will allow greater flexibility and constant alignment to affordability pressures. Movement in categories would require States approval following consideration by the States Treasurer in conjunction with Strategic Leads and the Portfolio Delivery Service.

(4) Balance and Plan

The initial prioritisation resulted in a ranked list of proposals and a significant amount of work has been completed in order to be able to propose a balanced capital portfolio.

The purpose of balancing the portfolio is to ensure that factors such as timing, coverage of strategic objectives, impact across the business, stage of scheme development, overall risk, return profile and available resources are fully considered. Schemes also represent a range of indicative costs to help balance the level of investment over time.

Alignment with the GWP

The balancing of the Portfolio is linked to the strategic principles and outcomes within the Government Work Plan. The way in which schemes have been assessed included alignment with the principles and outcomes within the GWP.

All schemes that are proposed in the delivery portfolio either fully or partially align with multiple principles within the Government Work Plan. The majority of schemes that are categorised as ‘must do’ schemes also align as do most proposed pipeline schemes which show partial or full alignment with the GWP guiding principles.

Very few schemes show no alignment, and this is only the case where the scheme is considered to be a ‘must do’ scheme due to compliance or replacement considerations. Of the very small number of proposed pipeline scheme shows no alignment at present, we expect that greater alignment will be achieved as the scheme develops.

Re- categorisation to balance

The purpose of balancing the portfolio is to ensure that factors such as timing, coverage of strategic objectives, impact across the business, stage of scheme development, overall risk, return profile and available resources are fully considered. Schemes also represent a range of indicative costs to help balance the level of investment over time.

To help balance the portfolio, the States Treasurer and Strategic Policy Leads have considered:

- maturity of each scheme (likely pace and (in some instances) to allow for policy development work to be undertaken);

There is also an intention to undertake further work in:

- balancing the portfolio from an affordability perspective; and
- considering the ability and capacity of States and on- island commercial sector to respond and cope with infrastructure projects at any one time.

As a result, 9 schemes were re-categorised.

Figure 6 – Summary of schemes where the category was adjusted

Scheme Name	Provided Category	Adjusted Category	Justification
Hydrocarbons Programme	Delivery	Redaction	Integrated within the broader Energy Policy linked to future Harbour requirements. Not a stand-alone Hydrocarbon Programme.
Seafront Enhancement Area	Delivery	Pipeline	Further policy and strategy work required therefore unlikely to require any substantial capital funding in years 1-4
HSC Digital Roadmap	Delivery	Pipeline	Longer term requirement therefore unlikely to require substantive capital funding in years 1-4
Community HUB	Delivery	Pipeline	Substantive capital funding unlikely to be needed in years 1-4
Coastal Flood Defences	Both Time Periods	Pipeline	Further policy development and overall strategy work required to

Scheme Name	Provided Category	Adjusted Category	Justification
			confirm the approach and the capital investment requirement
Guernsey Airport Runway Infrastructure	Both Time Periods	Pipeline	Further policy development and overall strategy work required to inform the Airport master plan.
Future Guernsey Dairy	Delivery	Pipeline	Further policy development and overall strategy work required to inform the scope of the scheme and the capital investment requirement
Territorial Seas and Fisheries Enforcement	Delivery	Pipeline	Further policy development and overall strategy work required to confirm the approach and the capital investment requirement
Guernsey Tourism Product Development	Delivery	Pipeline	Further policy development and overall strategy work required to confirm the approach and the capital investment requirement

Consideration of Timelines

The timeline of schemes is also an important factor. In terms of the 'must do' delivery proposals schemes are timed for either a single year or across multiple years. The timelines are at present indicative and are based on proposal submissions. Most schemes are scheduled for 2022 which is not surprising given the nature of the proposal (i.e. must do) but is highly optimistic. Further work will need to be undertaken to confirm timelines.

Figure 7 – Summary of timelines - must do proposals

DELIVERY 'MUST DO' PROPOSALS	2021	2022	2023	2024	2025
1 Alderney Airport Pavement Rehabilitation		■			
2 Bus Fleet Replacement Phase 3		■			
3 Clinical and Animal Waste Solution		■			
4 Fermain Wall Repair		■			
5 Future Inert Waste Facility		■		■	
6 Guernsey Registry IT Systems Replacement		■			
7 Havelet Slipway Repairs		■			
8 Mont Crevelt Breakwater Reinstatement	■	■			
9 Online Passport and Workflow System	■	■			
10 Repair / Replacement of Castle Emplacement Bridge		■			
11 SAP Roadmap	■				■

The timeline of Delivery schemes that are not considered to be 'must do's', shows a broader spread of activity over time and allows the States to balance the level of activity and

investment. However, and again indicatively, there is a high level of activity in 2021 which will be further refined as further work is undertaken. The reality is that some of the work identified in 2021 will realistically occur in 2022.

Figure 8 – Summary of timelines - delivery proposals

DELIVERY PROPOSALS	2021	2022	2023	2024	2025
1 Digital Infrastructure		■	■		
2 Funding Affordable Housing Developments		■			■
3 Guernsey Airport Hold Baggage System Upgrade Stage 2		■			
4 Hospital Modernisation Programme Phase 1	■		■		
5 Hospital Modernisation Programme Phases 2&3 (including PEH Energy & Pathology and Laboratory Services)	■				■
6 Property Rationalisation Phase 2	■	■			
7 Smart Court	■				
8 The Guernsey Institute (TGI) Programme			■	■	
9 Transforming Education Digital	■		■		
10 Transforming Education: Secondary Education Model			■	■	

12 THE EXISTING AND PROPOSED PORTFOLIO

The existing portfolio was set for 2017-2020 but also included some legacy projects. The following schemes have already been delivered:

Figure 1 – Schemes in the Existing Portfolio – already delivered

Scheme	Description
1 Household Waste Recycling Centre	This project involved the construction of a Household Waste Recycling Centre.
2 Waste Transfer Centre	This project is the construction of a Waste Transfer Station and associated infrastructure at the Longue Hougue.
3 Turntable Ladder Fire Appliance	This project is the procurement of a replacement Turntable Ladder Fire Appliances for the Guernsey Fire and Rescue Service.
4 HSC Lan	Replacement LAN / Wi-Fi network infrastructure for PEH and other health and social care sites.
5 Project LiSR	The replacement of the Guernsey Police Central IT System (Linkworks) that came end of life in 2009, a feasibility study in 2012 identified COTS solutions with some development to meet local needs and taking into account the formation of JESSC and the need for a command and control system.
6 FDS Procurement	Procurement of FDS partner to deliver economic development, public service reform and IT services for the States of Guernsey.
7 IT Transition	Part of the IT Transformation programme. Moving all IT assets into Agilisys Guernsey operating model (this work was completed in January 2020)
8 Office Rationalisation Phase 1	This project was to move services and colleagues away from Cornet Street and Grange House, primarily to SCFH.

A further 14 schemes have commenced delivery but are yet to be completed:

Figure 2– Schemes in the Existing Portfolio – yet to be completed

	Scheme	Description
1	Bus Fleet Replacement - Phases 1 and 2	This project is a phased replacement of existing ageing bus fleet.
2	Transforming Transactional and Business Support Services (TTBSS)	The programme formally began in September 2019 with the objective of addressing systemic inefficiency by combining the availability of new technology with the capability to re-design services and their supporting processes and manage the transition to a new model of service delivery. The Transforming Property and Facilities Management Services Programme is also being delivered as a work stream within the TTBSS programme.
3	Revenue Service Programme	This programme introduces a new operating model for the collection of income tax and social security contributions through three phases.
4	Replacement Cremator	This project is to replace the island's cremator and emissions equipment.
5	Electronic Patient Record System	The Electronic Patient Record project aims to address significant risks to the provision of health and care services by procuring a replacement EPR before support for the existing system is withdrawn. It is also seeking to do this in a manner that allows the States of Guernsey to progress its strategic ambitions for the delivery of these services.
6	St Sampson's Fire Main Pump Replacement	This project is the replacement of the St Sampson Fire Main Pump.
7	Guernsey Airport Baggage Handling System Upgrade - Stage 1	Stage 1 upgrades the existing hold baggage system including In Gauge and Out of Gauge x-ray machines to comply with Department for Transport security requirements by utilising the existing airport building footprint.
8	Virtual Machine Environment (VME) Replacement	This project covers the replacement of the Fujitsu VME Operating System and associated applications to hold the core Revenue Service tax and contribution data due to a product no longer being licensed as at end December 2020.
9	Radiology Equipment Replacement	This overarching programme seeks to replace the majority of HSC's ageing Radiology Equipment. The final project with activity is the Bone Densitometer (DEXA) Replacement.
10	Tetra PSN	Provision of a public safety network (PSN) and emergency services networks (ESN).
11	EIA – Land Reclamation and Development for Inert waste	This project includes the detailed environmental impact assessment on potential land reclamation and future development east of the QEII marina, to help inform the preparation of the local development strategy for the St Peter Port Harbour Action Area.

12	St Peter Port Harbour Action Area	This project encompasses the local planning brief for St Peter Port Harbour Action Area, including evidence and data gathering, independent planning inquiry and public consultation.
13	IT Transformation	The aim of the programme is to: <ul style="list-style-type: none"> • Deliver IT Transition, moving all IT assets into Agilisys Guernsey operating model (this work was completed in January 2020); and • Provide the States with IT services which will provide a stable, secure and resilient foundation platform for Smart Guernsey (FDS) delivery, Public Service Reform (PSR) and for States staff to work and interact using a modern workplace.
14	Footes Lane Refurbishment	The project is to rebuild the athletics track to include: <ul style="list-style-type: none"> • Conversion to 8 lane 400 metre track; • Installation of infield drainage and artificial grass; • Maintenance and repair works to the Garenne Stand; and • Installation of multi-use accessible viewing platform and reconfiguration of toilets

In total, 38 scheme proposals were assessed and categorised, 20 have been categorised in the delivery portfolio (of which 11 have been assessed as 'must do').

Figure 3– proposed schemes considered to be delivery: 'must do'

	Scheme Name	Existing or New	Replacement	Compliance	Cost category
1	Bus Fleet Replacement Programme – Phase 3	Existing	X		Small
2	Clinical and Animal Waste Solution	New	X	X	Small
3	Alderney Airport Pavement Rehabilitation Project	Previous	X	X	Medium
4	Guernsey Registry IT Systems Replacement	New	X	X	Small
5	SAP Development Roadmap	Existing	X		Small
6	Mont Crevelt Breakwater Reinstatement	Existing	X		Small
7	Online Passport and Workflow System	Existing		X	Small
8	Future Inert Waste Facility	Existing	X	X	Large
9	Havelet Slipway Repairs	New	X		Small

1 0	Repair/ Replacement of Castle Emplacement Bridge	New	X		Small
1 1	Fermain Wall Repair	New	X		Small
Total Estimated Cost			Range £78.5M - £112M		

Proposals for the Delivery Portfolio:

Figure 4—Proposed schemes for the Delivery Portfolio

[illegible]

5	Smart Court – Royal Court Digital Transformation - Programme (previously known as Digital Court)	The purchase of IT systems and infrastructure to support the transformation programme	Small
6	Island Digital Infrastructure	Building the future digital infrastructure on the island and planning the strategy to deliver enhanced high-speed connectivity to both homes and businesses on the island, as set out in the 2018 Telecoms Strategy. The States agreed this as a critical priority of the economic development strategy.	Small
7	Affordable Housing Development	This development / redevelopment programme includes the following affordable housing tenures: a. Social rental b. Partial ownership c. Key Worker d. Emergency Housing Provision e. Extra Care f. HSC user accommodation Collectively, this will form one Affordable Housing Development Programme, all to be funded from this capital bid. This could include the provision of grant funding to the Guernsey Housing Association (GHA)	Large
8	Guernsey Airport Hold Baggage System Upgrade – Phase 2	Stage 2 adds an extension to the West of the terminal building to enable the hold baggage system to be extended and future proofed.	Small
9	Property Rationalisation Phase 2	To rationalise the public service estate and facilitate the re-purposing of key States buildings to include the further rationalisation of the HSC estate by exiting 3 sites including Swissville which is generally recognised as not fit for purpose or cost effective to run.	Small
Total Estimated Cost		Range £313.5M - £412M	

Proposals for the Pipeline Portfolio are as follows:

A number of the proposals are longer term in nature and are not likely to commence anything but planning within this prioritisation period. This has given an opportunity to extend the planning horizons for the portfolio and recognise this forward-looking assessment of the proposed schemes. A total of 10 are considered to be pipeline schemes and are set out below. In the majority of cases, significant policy and strategy work is required before any work on options for delivery and implementation can be determined.

Figure 5– proposed pipeline schemes

	Scheme Name		Provided Category	Adjusted Category	Existing or New
1	Future Harbour Requirements	Significant	Pipeline	Pipeline	Existing
2	Seafront Enhancement Area	Medium	Delivery	Pipeline	Existing
3	HSC Digital Roadmap	Medium	Delivery	Pipeline	New
4	Community Hub	Medium	Delivery	Pipeline	<i>Existing</i>
5	Coastal Flood Defences	Large	Both Time Periods	Pipeline	Existing
6	Guernsey Airport Runway Infrastructure	Medium	Both Time Periods	Pipeline	Existing
7	Home Affairs Estate Rationalisation	Large	Pipeline	Pipeline	Existing
8	Future Guernsey Dairy	Medium	Delivery	Pipeline	Existing
9	Territorial Seas and Fisheries Enforcement	Small	Delivery	Pipeline	Existing
10	Guernsey Tourism Product Development	Small	Delivery	Pipeline	New

P&R already has delegated authority by the States to approve funding to support the development of pipeline schemes. It is proposed that development funding is provided for the schemes set out above. It is anticipated that appropriate development activities would include for example, policy development, the shaping of strategy and feasibility studies to inform strategic direction.

A further seven schemes are either proposed to be progressed outside the major capital portfolio or are identified for consideration in the next round of prioritisation (i.e. the future portfolio)

Figure 6– schemes to be progressed elsewhere

	Scheme Name	Existing or New	Proposed Treatment
1	Guernsey Traffic Signals Replacement Programme	New	Minor Capital
2	Alderney Breakwater Dive Survey	Existing	Minor Capital
3	Guernsey Airport Pavement Rehabilitation – PFOS contingency	Existing	Proposal submitted for an increase in contingency for the treatment of the PFOS contamination. This is not a new scheme and will be considered on its merits as an increase in the original capital vote.
4	Hydrocarbons Programme	Existing	Part of Energy Policy – not supported through capital funding and therefore removed from capital portfolio.

Figure 7– schemes to be considered again in the next prioritisation round

	Scheme Name	Provided Category	Adjusted Category	Existing or New
5	Refurbishment of Castle Cornet	Delivery	-	Existing
6	Additional MRI Scanner	Delivery	-	New
7	CCTV Replacement	Delivery	-	Existing

The total indicative value for the portfolio is therefore as follows:

Figure 8– total portfolio indicative values

	Range
DELIVERY	
Must Do's	£78.5 - £112M
Delivery	£313.5 - £412M
Delivery Total	£392M- £524M
PIPELINE (development funding only)	£5M
Proposed Portfolio	£397M – £529M

Urgent / emergency schemes	£25M
Total Portfolio	£422M - £554M

ANNEX 6: EXTANT RESOLUTIONS FOR RESCISSION OR RESCINDING AND REPLACING

Table 6.1: Extant States' Resolutions recommended for rescission

No.	Year	Billet d'État	Resolution Owner(s)	Policy Letter Title	Resolution	Reason for Rescission
1.	2020	XV	Committee <i>for</i> Health & Social Care	Justice Review Report	2. The Committee <i>for</i> Health & Social Care shall complete and present to the States, at the earliest possible opportunity, the Combined Substance Use Strategy.	This Resolution is proposed for rescission as the Committee <i>for</i> Health & Social Care has agreed with the Policy & Resources Committee that the Combined Substance Use Strategy forms part of its business as usual function, given the associated work is operational in nature. It is recommended that consequential amendments be made to Resolution 3 of Billet d'État XV of 2020.
2.	2012	III	Committee <i>for</i> Health & Social Care	Use of Radiology and Pathology Services and Hospital Facilities	4. To direct the preparation of such legislation as may be necessary to give effect to their above decision.	This Resolution has been superseded by the States' Resolutions on the Reform of Healthcare Funding and it is therefore no longer required.
3.	2008	XII	Committee <i>for</i> Home Affairs	Amendment to the Fire Services (Guernsey) Law, 1989, as Amended	1. To approve the Department's proposals for amending Fire Services (Guernsey) Law, 1989, as	Given the time that has passed, the Committee <i>for</i> Home Affairs considers that these propositions are no longer relevant. New proposals to change the

No.	Year	Billet d'État	Resolution Owner(s)	Policy Letter Title	Resolution	Reason for Rescission
					amended, as set out in that Report.	Fire Law will be progressed at an appropriate juncture in the future.
4.	2008	XII	Committee <i>for</i> Home Affairs	Amendment to the Fire Services (Guernsey) Law, 1989, as Amended	2. To direct the preparation of such legislation as may be necessary to give effect to their above decision.	Given the time that has passed the Committee <i>for</i> Home Affairs considers that these propositions are no longer relevant. New proposals to change the Fire Law will be progressed at an appropriate juncture in the future.
5.	2007	XX	Committee <i>for</i> Home Affairs	Legal Aid	3. To request HM Procureur and the Home Department to bring forward proposals to amend section 91(3) of the Police Powers and Criminal Evidence (Bailiwick of Guernsey) Law, 2003 provided that the concerns regarding how to ensure that all those providing advice to persons detained by the Police or Customs receive effective advice and representation, can be dealt with.	Legal Aid has confirmed that there is no need for this Resolution to be discharged, and the Committee <i>for</i> Home Affairs has therefore proposed it for rescission.

No.	Year	Billet d'État	Resolution Owner(s)	Policy Letter Title	Resolution	Reason for Rescission
6.	2007	XXII	Committee <i>for</i> Health & Social Care	Guernsey Health and Social Services Charitable Trust	6. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.	Given the time that has passed, the Committee <i>for</i> Health & Social Care intends to progress this in an alternative manner.
7.	2001	XXIV	Committee <i>for</i> Home Affairs	Criminal Injuries Compensation	2. To agree the preparation of legislation in accordance with paragraph 15 of that Report.	The Committee <i>for</i> Home Affairs recommends this Resolution for rescission, as Criminal Injuries Compensation will be considered within the Justice Framework action established within the Government Work Plan.

Table 6.2: Extant States' Resolutions recommended for rescinding and replacing

No.	Year	Billet d'État	Resolution Owner(s)	Policy Letter Title	Resolution	Reason for Rescind and Replace
1.	2020	I	Committee <i>for</i> Health & Social Care	Review of the Funding of Drugs, Treatments and Devices	2. To direct that the Committee <i>for</i> Health & Social Care should adopt a phased approach to the implementation of Proposition 1 above, starting with those drugs	The Policy & Resources Committee is recommending this Resolution is amended to align to the phasing of the Plan as follows: '2. To direct that the Committee <i>for</i> Health & Social Care should adopt a phased approach to the

No.	Year	Billet d'État	Resolution Owner(s)	Policy Letter Title	Resolution	Reason for Rescind and Replace
					and treatments with an incremental cost effectiveness ratio (ICER) value of up to £30,000 in Year 1, followed by an increase to an ICER value of up to £40,000 in Year 2, as set out in this Policy Letter, at an estimated cost of £5.6m in Year 1 and £8.3m from Year 2.	implementation of Proposition 1 above, starting with those drugs and treatments with an incremental cost effectiveness ratio (ICER) value of up to £30,000 and that this policy approach should remain in place for not less than two years following full operational implementation to allow for the completion of the review set out in Proposition 5.'
2.	2020	I	Committee <i>for</i> Health & Social Care	Review of the Funding of Drugs, Treatments and Devices	5. To direct the Committee <i>for</i> Health & Social Care, with the support of the Policy & Resources Committee, to report back to the States with a review of the practical application of the policy referred to in Proposition 1 in the first two years of its operation, together with proposals recommending or otherwise the	The Policy & Resources Committee proposes that Resolution 5 be amended to the following in keeping with the proposed changes to Resolution 2 of the same Policy Letter: '5. To direct the Committee <i>for</i> Health & Social Care, with the support of the Policy & Resources Committee, to report back to the States with a review of the practical application of the policy referred to in Proposition 1 in the first two years of its operation, together with proposals recommending or otherwise the

No.	Year	Billet d'État	Resolution Owner(s)	Policy Letter Title	Resolution	Reason for Rescind and Replace
					<p>introduction of drugs and treatments with an ICER value greater than £40,000, to be submitted to the States for consideration as close to the end of Year 2 as possible, but in any event, no more than six months following the end of Year 2. The review should include:</p> <p>a) details of the long-term funding arrangements necessary for the continuance of drugs and treatments with an ICER value of up to £40,000;</p> <p>b) proposals recommending or otherwise the introduction of drugs and treatments with an ICER value greater than £40,000, to include</p>	<p>introduction of drugs and treatments with an ICER value greater than £30,000, to be submitted to the States for consideration no more than six months following the end of Year 2. The review should include:</p> <p>a) details of the long-term funding arrangements necessary for the continuance of drugs and treatments with an ICER value of up to £30,000;</p> <p>b) proposals recommending or otherwise the introduction of drugs and treatments with an ICER value greater than £30,000, to include identifying the associated financial and resource implications; and</p> <p>c) details of the long-term funding arrangements including any capital and/or additional infrastructure necessary for the introduction of drugs and treatments with an ICER value greater than £30,000.'</p>

No.	Year	Billet d'État	Resolution Owner(s)	Policy Letter Title	Resolution	Reason for Rescind and Replace
					identifying the associated financial and resource implications; and c) details of the long-term funding arrangements including any capital and/or additional infrastructure necessary for the introduction of drugs and treatments with an ICER value greater than £40,000.	
3.	2020	XV	Committee <i>for</i> Health & Social Care; Committee <i>for</i> Home Affairs	Justice Review Report	3. The Committee <i>for</i> Health & Social Care and the Committee <i>for</i> Home Affairs, informed by the results of the Combined Substance Use Strategy and no later than six months after it has been considered by the States, shall report back to the States with options for alternative and non-punitive approaches to	Resolution 2 of the same Billet is being proposed for rescission by the Committee <i>for</i> Health & Social Care. As such, the following consequential amendment is proposed to Resolution 3: '3.The Committee <i>for</i> Health & Social Care and the Committee <i>for</i> Home Affairs shall report back to the States with options for alternative and non-punitive approaches to the possession and use of small quantities of illegal drugs (including, but not limited, to

No.	Year	Billet d'État	Resolution Owner(s)	Policy Letter Title	Resolution	Reason for Rescind and Replace
					<p>the possession and use of small quantities of illegal drugs (including, but not limited, to cannabis), which take into account:</p> <p>(i) the need to promote the health, wellbeing and safety of people who use drugs, and of the wider community;</p> <p>(ii) the strategic principles of the Combined Substance Use Strategy and any evidence collected in its development, including the commissioned Independent Report on the Review of the interaction of health and justice system in relation to the possession of drugs for personal use;</p> <p>(iii) the potential for moving from a regime</p>	<p>cannabis), as soon as resources are available as established by the Government Work Plan, which take into account:</p> <p>(i) the need to promote the health, wellbeing and safety of people who use drugs, and of the wider community;</p> <p>(ii) any evidence collected, including the commissioned Independent Report on the Review of the interaction of health and justice system in relation to the possession of drugs for personal use;</p> <p>(iii) the potential for moving from a regime governed by the criminal law towards a partly or wholly regulatory approach to all aspects of personal drug use; and</p> <p>(iv) the results of consultation with the community and key stakeholders in respect of such alternative options.'</p>

No.	Year	Billet d'État	Resolution Owner(s)	Policy Letter Title	Resolution	Reason for Rescind and Replace
					governed by the criminal law towards a partly or wholly regulatory approach to all aspects of personal drug use; and (iv) the results of consultation with the community and key stakeholders in respect of such alternative options.	
4.	2020	XV	Committee <i>for</i> Employment & Social Security	Proposals for a New Discrimination Ordinance	3. (i) To direct the Committee <i>for</i> Employment & Social Security to bring detailed policy proposals to expand the grounds covered in the Ordinance referred to in Proposition 1 to the States for consideration, in accordance with the following timeline: <u>Completion of Phase 1</u> · 2021 – Training Stage: Provision of training and information, etc, in	To allow the Assembly to understand the impacts of Phase 1 before any further policy changes, the Policy & Resources Committee is recommending that this Resolution be amended as follows: '3. (i) To direct the Committee <i>for</i> Employment & Social Security to bring detailed policy proposals to expand the grounds covered in the Ordinance referred to in Proposition 1 to the States for consideration, in accordance with the following timeline: <u>Completion of Phase 1</u>

No.	Year	Billet d'État	Resolution Owner(s)	Policy Letter Title	Resolution	Reason for Rescind and Replace
					<p>respect of Phase 1 as approved by the States.</p> <p>· 2022 – Implementation Stage: Enactment of legislation in respect of Phase 1.</p> <p><u>Delivery of Phase 2</u></p> <p>· 2023 – Phase 2 policy letter: Protection on the ground of age. Modernisation of the existing Sex Discrimination Ordinance. Equal pay for work of equal value. Consideration of multiple and intersectional discrimination. Protection on the grounds of religious belief and/or sexual orientation, if not incorporated in Phase 1 (by virtue of Propositions 1A or 1B).</p> <p>· 2024 – Training and implementation:</p>	<p>· 2021 – Training Stage: Provision of training and information, etc, in respect of Phase 1 as approved by the States.</p> <p>· 2022 – Implementation Stage: Enactment of legislation in respect of Phase 1.</p> <p><u>Delivery of Phase 2</u></p> <p>· 2023 – Phase 2a policy letter: Protection on the ground of age. Modernisation of the existing Sex Discrimination Ordinance, not including the statutory right to Equal Pay for Work of Equal Value on the ground of sex. Consideration of multiple and intersectional discrimination.</p> <p>· 2024 – Training and implementation regarding Phase 2a: Ordinance including Phase 2a grounds brought to the States for approval and implemented (with six-month lead-in period as in Phase 1). Training on new grounds of protection rolled out.</p>

No.	Year	Billet d'État	Resolution Owner(s)	Policy Letter Title	Resolution	Reason for Rescind and Replace
					<p>Ordinance including Phase 2 grounds brought to the States for approval and implemented (with six-month lead-in period as in Phase 1). Training on new grounds of protection rolled out.</p> <p><u>Specific Lead-In Periods</u></p> <p>· 2026 – Discrimination in Education: In accordance with Table 8.6.1 of the policy letter, provisions relating to discrimination in education come into effect no later than 2026.</p> <p>· 2027 – Accessibility and Equal Pay: In accordance with Table 8.6.1 of the policy letter, the final provisions of the Ordinance (relating to public sector accessibility action plans; complaints in respect of changes to</p>	<p>· 2026 – Phase 2b - Equal Pay for Work of Equal Value on the ground of sex: Policy work undertaken including carrying out an economic impact assessment. Proposals to be brought to the States for consideration in 2027 or 2028, subject to the findings of the economic impact assessment.</p> <p>· 2028 – Legislation for Phase 2b approval: Ordinance on Equal Pay for Work of Equal Value on the ground of sex is brought to the States for approval and implemented.</p> <p><u>Specific Lead-In Periods</u></p> <p>· 2026 – Discrimination in Education: In accordance with Table 8.6.1 of the policy letter, provisions relating to discrimination in education come into effect no later than 2026.</p> <p>· 2027 – Accessibility: The provisions of the Ordinance relating to public sector accessibility action plans and complaints in respect of changes to physical features come into effect.</p>

No.	Year	Billet d'État	Resolution Owner(s)	Policy Letter Title	Resolution	Reason for Rescind and Replace
					<p>physical features; and implementation of equal pay for work of equal value) come into effect.</p> <p><u>Evaluation</u></p> <p>· 2029 – Post-Implementation Review: To take place no more than two years after all provisions of the Ordinance are in force. May take place sooner if required.</p> <p>(ii) To direct the Policy & Resources Committee to ensure that the Committee <i>for</i> Employment & Social Security is provided with sufficient resource, through its annual budgets and/or through the provision of shared States' resources, to deliver the remaining</p>	<p>· 2031-32 – Equal Pay for Work of Equal Value on the ground of sex: Statutory right comes into force.</p> <p><u>Evaluation</u></p> <p>· 2024 – Phase 1 Post-Implementation Review: To take place after Phase 1 provisions of the Ordinance are in force in order to understand its impact on the community. May take place sooner if required.</p> <p>· 2026 – Phase 2a: Post-Implementation Review: To take place after Phase 2a provisions have been in force for two years. May take place sooner if required.</p> <p>· 2033-34 – Commence Phase 2b Post Implementation Review: To evaluate the impacts of the introduction of Equal Pay for Work of Equal Value on the ground of sex. May take place sooner if required.</p> <p>(ii) To direct the Policy & Resources Committee to ensure that the Committee <i>for</i> Employment & Social Security is provided with sufficient</p>

No.	Year	Billet d'État	Resolution Owner(s)	Policy Letter Title	Resolution	Reason for Rescind and Replace
					policy and drafting work within the timeframe set out in Proposition 3.	resource, through its annual budgets and/or through the provision of shared States' resources, to deliver the remaining policy and drafting work within the timeframe set out in Proposition 3.'
5.	2020	XV	Policy & Resources Committee	Proposals for a New Discrimination Ordinance	17b. That the Policy & Resources Committee, in consultation with the Committee <i>for</i> Employment & Social Security and the Committee <i>for</i> Health & Social Care, should prioritise work to modernise the existing birth registration legislation, and return to the States with proposals no later than December 2021;	To align to the Plan's proposed phasing the Committee is recommending that this Resolution be amended as follows: 17b. That the Policy & Resources Committee, in consultation with the Committee <i>for</i> Employment & Social Security and the Committee <i>for</i> Health & Social Care, and noting the complexity with regards Human Rights and the phasing of enabling work within the Adoption Law, should work to modernise the existing birth registration legislation, and return to the States with proposals no later than Q1 2025.

ANNEX 7: PRIORITISATION OF LEGISLATION FOR DRAFTING

Table 7.1: Legislation prioritised for drafting schedule as at 03.06.2021

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
1.	Committee <i>for</i> Economic Development	XIV/2015 (Art. XV)	Roll On/Roll Off Ferry Services Licensing regime for Roll On/Roll Off services at St Peter Port Harbour.	The Law has been drafted. Awaiting further instructions from the Committee <i>for</i> Economic Development.	1. High	Committee <i>for</i> Economic Development	4
2.	Committee <i>for</i> Economic Development	VI/2010 (Art. XI)	Limited partnerships Re-enactment of the Limited Partnerships (Guernsey) Law, 1995 with miscellaneous amendments – e.g., transfer functions to company registrar, migrations, conversions, protected cells.	An advanced draft of the Law was provided to the Committee <i>for</i> Economic Development in 2014 and was sent out to consultation. Following consultation, the Committee decided to	1. High	Committee <i>for</i> Economic Development	4

²⁰ <https://gov.gg/newlegislation>: which includes explanation of the stages

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
				revise the original proposal. A short supplementary Policy Letter will be required to confirm States approval of any revised drafting instructions.			
3.	Committee <i>for</i> Economic Development	VII/2020 (Art. VII)	Development of Competition Legislation Amendments to the Competition (Enabling Provisions) (Guernsey) Law, 2009, the Competition (Guernsey) Ordinance, 2012 and the Guernsey Competition and Regulatory Authority Ordinance, 2012.	A final draft was sent to officers at the end of January 2021 and further amendments were requested. Those amendments are being reviewed by the Legislative Drafting Team.	1. High	Law Officers	4
4.	Committee <i>for</i> Economic Development	VIII/2021 (Art. II)	Introduction of Limited Liabilities Companies legislation	The drafting was prioritised in June	1. High	Law Officers	2

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
				2021. Drafting is yet to commence.			
5.	Committee <i>for</i> Employment & Social Security	IV/2020 (Art. II)	Secondary Pensions: detailed proposals for the introduction of automatic enrolment into private pensions and the establishment of 'Your Island Pension'.	Comments have been received on the draft legislation and the aim is to submit it to the 16 August Legislation Review Panel meeting.	1. High	Law Officers	3
6.	Committee <i>for</i> Employment & Social Security	XV/2020 (Art. XV)	Proposals for a new Discrimination Ordinance 1. Preparation of an Ordinance under the Prevention of Discrimination (Enabling Provisions) (Bailiwick of Guernsey) Law, 2004 in relation to the prevention of discrimination on the grounds of disability,	The Committee <i>for</i> Employment & Social Security has completed a consultation with targeted stakeholders and the States of Deliberation will be able to consider the next set of policy proposals in the 3 rd quarter of 2021.	1. High	Law Officers; Committee <i>for</i> Employment & Social Security	3

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
			<p>carer status, race, sexual orientation, religious belief (subject to policy work in respect of exemptions regarding sexual orientation and religious belief). States resolved that this should be enacted in 2022.</p> <p>2. Amendment of the Sex Discrimination (Employment) (Guernsey) Ordinance, 2005 to ensure it aligns with the new Discrimination Ordinance (section 10 of the Policy Letter).</p> <p>3. Repeal of discriminatory provisions relating to</p>	<p>A draft Ordinance in respect of item 1 has been sent to officers for review.</p> <p>Drafting of the Ordinance in respect of item 2 has commenced.</p> <p>An Ordinance in respect of item 3 was approved by the Legislation Review Panel on 24th May, 2021.</p>			

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
			women in specified pieces of legislation (section 9.5 of the Policy Letter).				
7.	Committee <i>for</i> Employment & Social Security	XV/2020 (Art. XV)	Proposals for a new Discrimination Ordinance Amendment of the Employment & Discrimination Tribunal (Guernsey) Ordinance, 2005 to require Tribunal Chairs to be legally qualified (section 7.4.3. of the Policy Letter).	A draft Order has been prepared and is being reviewed by officers. The Order does not have to be made until 2022.	1. High	Committee <i>for</i> Employment & Social Security	4
8.	Committee <i>for</i> Employment & Social Security	XVI/2020 (Art. XIV)	Building a Better Future: Children's Health and Education Amendment of the Family Allowances	The Resolution requires that the new services come into effect from 1 st September, 2021, but	1. High	Committee <i>for</i> Employment & Social Security	3

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
			(Guernsey) Law, 1950 to impose household income limit of £120,000 and to introduce a cut off in respect of eligibility when the child of the family turns 18. Amendments to have effect from 1 st September, 2021.	the Committee <i>for</i> Employment & Social Security agreed on 10 th March, 2021 to push back the implementation date to 1 st January, 2022, at the Committee <i>for</i> Health & Social Care's request. The legislation will need to be in place by that date to restrict eligibility to family allowance, thus enabling the release of budget to fund those services. The Law Officers await instructions.			

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
9.	Committee <i>for</i> Health & Social Care	VII/2016 (Art. III)	Capacity Law Secondary legislation is required in order to implement the different parts of the Law.	The detailed implementation plan for the different elements of the Law is being developed, according to the priorities set by the Committee <i>for</i> Health & Social Care. Work will re-commence shortly on the Ordinance supporting the introduction of Lasting Powers of Attorney and the intention is to commence the Ordinance in the fourth quarter of 2021.	1. High	Committee <i>for</i> Health & Social Care	2

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
10.	Committee <i>for</i> Health & Social Care	XV/2018 (Art. XIV)	Organ donation - soft opt out scheme Law has been approved but secondary legislation is required to implement the Law.	Officers to provide drafter with instructions in respect of a Commencement Ordinance and Regulations.	1. High	Committee <i>for</i> Health & Social Care	2
11.	Committee <i>for</i> Home Affairs	V/2005 (Art. VII)	Parole legislation Ordinance under the Parole (Guernsey) Law, 2009.	The primary legislation has been drafted and has received Royal Assent. The drafting requirements for the Ordinance and Regulations is under review to ensure they reflect contemporary objectives.	1. High	Committee <i>for</i> Home Affairs	4
12.	Committee <i>for</i> Home Affairs	XIII/2011 (Art. IX)	Sexual Offences Secondary legislation.	Prioritised to be concluded in first 18 months of the Government Work Plan	1. High	Committee <i>for</i> Home Affairs	2

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
13.	Committee <i>for the</i> Environment & Infrastructure	XXI/2012 (Art. VI)	Environmental pollution Amendment of the Environmental Pollution (Guernsey) Law, 2004; water standards; exemptions from the Food and Environmental Protection Act for certain deposits in sea.	The Office of Environmental Health and Pollution Regulation (OEHPR) has recently been able to re-focus on progressing the necessary policy work and it is anticipated it will be completed by third quarter of 2021 to inform drafting requirements.	1. High	Committee <i>for the</i> Environment & Infrastructure	4
14.	Committee <i>for the</i> Environment & Infrastructure	XXVI/2014 (Art. XI)	Register of driving instructors Legislation to provide for a register of driving instructors and subsequent amendments to the Driving Licences (Guernsey) Ordinance, 1995.	This is a requirement for the Vienna Convention. The Law has been registered but Regulations for implementing and commencing are required. The Regulations have been prepared and	1. High	Committee <i>for the</i> Environment & Infrastructure	4

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
				are with the Committee <i>for the Environment & Infrastructure</i> for comment. It was planned to introduce the mandatory register by the end of 2020 but delayed by COVID.			
15.	Committee <i>for the Environment & Infrastructure</i>	XIII/2020 (Art. VI)	Proposed introduction of a general housing law Introduction of enabling legislation to allow for the regulation of the Island's housing other than control of occupation. Amendment of other legislation relevant to housing standards.	A second draft of the primary Law is with officers for comment.	1. High	Committee <i>for the Environment & Infrastructure</i>	4

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
16.	Policy & Resources Committee	V/2020 (Art. I)	Reform of the Matrimonial Causes Law Reform of the law relating to divorce, annulment and judicial separation of marriage.	A first draft has been completed and is subject to discussion with a matrimonial advocate prior to wider consultation. This legislation and the related Domestic Proceedings amendments are factored into the proposed recovery actions for prioritisation in the Government Work Plan.	1. High	Law Officers	3
17.	Policy & Resources Committee	XVIII/2015 (Art. V)	GFSC law revision project Enact new Insurance Business and Insurance Managers and Intermediaries Ordinances.	Final versions of the Insurance Business Ordinance and the Insurance Managers and Intermediaries Ordinances have been approved by the	1. High	Legislation Review Panel	6

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
				Policy & Resources Committee and will be considered by the Legislation Review Panel on 21 st June, 2021.			
18.	Policy & Resources Committee	2020/XXV I (Art. I)	Budget for 2021 - economic substance requirements Proposition 20A. To declare that Economic Substance Requirements for entities carrying on or undertaking relevant activities as set out by the OECD are specified for the purposes of the Income Tax Law as an international tax measure.	Drafting is complete and the final draft is with officers.	1. High	Policy & Resources Committee	4

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
19.	Policy & Resources Committee	IV/2021 (Art. V)	Use of money in dormant accounts Establishment of a statutory scheme to require the transfer of balances in dormant bank accounts in the Bailiwick to a statutory central fund called the Bailiwick Dormant Accounts Fund.	Drafting has commenced.	1. High	Law Officers	3
20.	Policy & Resources Committee; Committee <i>for</i> Economic Development	IV/2021 (Art. VI)	Credit and finance legislation Repeal of the Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) Law, 2008 and the preparation of a new Credit and Finance Law.	Drafting has commenced.	1. High	Law Officers	3

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
21.	Policy & Resources Committee; Committee <i>for</i> Home Affairs	VIII/2021 (Art. V)	Future Governance and operation of the Seized Asset Fund Legislation to put the seized asset arrangements on a statutory footing.	An early first draft has been prepared and is being reviewed internally by the Law Officers.	1. High	Law Officers	3
22.	Committee <i>for</i> Employment & Social Security	XV/2020 (Art. XV)	Proposals for a new Discrimination Ordinance Preparation of legislation outlining the powers and functions of the statutory official who will lead the Employment and Equal Opportunities Service and to amend existing employment and discrimination legislation in order to transfer any relevant powers to that	Drafting has commenced. It is important that the statutory official can be appointed at the appropriate time.	2. Medium	Law Officers	3

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
			official (section 7.4.2. of the Policy Letter).				
23.	Committee <i>for</i> Health & Social Care	VII/2016 (Art. V)	Adoption Repeal of the Adoption (Guernsey) Law, 1960 and all relevant legislation relating to adoption to be replaced by new legislation based on the provisions of the Adoption and Children Act 2002.	The draft legislation is currently being reviewed by officers working to the Committee <i>for</i> Health & Social Care. Given the length and complexity of the Projet it is likely that officers will need time to consider their further instructions and especially in	2. Medium	Committee <i>for</i> Health & Social Care	4

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
				respect of further work on the review of the Children's Law.			
24.	Committee <i>for</i> Health & Social Care	III/2019 (Art. V)	Health and Care Regulation in the Bailiwick Bailiwick wide enabling Law to establish, amongst other things, an independent Commission to regulate health and care provision.	The Committee <i>for</i> Health & Social Care has advised that work on the legislation is to be paused in the short-term to focus and conclude more urgent matters.	2. Medium	Committee <i>for</i> Health & Social Care	4
25.	Committee <i>for</i> Home Affairs	XXIV/2009 (Art. XII)	People working with children and vulnerable adults: Vetting and barring scheme.	Work has been ongoing with UK officials in respect of addressing a gap in their legislation regarding sharing information with the Bailiwick. Progress is currently dependent on (a) the	2. Medium	Committee <i>for</i> Home Affairs; Law Officers	3

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
				UK amending its secondary legislation to allow information to be shared with Guernsey and (b) agreement being reached with the UK on how to deal with appeals. Jersey is in the same position. A meeting is planned shortly with the Home Office and the Disclosure and Barring Service (DBS) to progress the amendments to the UK legislation.			
26.	Committee for Home Affairs	XVIII/2006 (Art. XIII)	Terrorism New offences based on Terrorism Act 2006.	A draft Ordinance amending the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002	2. Medium	Committee for Home Affairs	2

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
				to make various urgent changes requested by the Police that reflect recent developments in the UK, primarily in relation to powers at the border, was approved by the States of Deliberations in April 2021. A wider review of terrorism legislation is being undertaken by the Law Officers.			
27.	Committee for Home Affairs	XV/2013 (Art. X)	Terrorist financing, money laundering and weapons proliferation Legislation equivalent to the provisions of schedule 7 of the UK	A first draft has been produced, and discussions are ongoing with the relevant UK authorities.	2. Medium	Law Officers	4

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
			Counter Terrorism Act 2008.				
28.	Committee <i>for the Environment & Infrastructure</i>	III/2003 (Art. VI)	Animal Welfare Legislation Ordinance required for welfare of animals during international transport, regulation of professions and responsibilities and liabilities of animal owners.	The primary animal welfare legislation (Animal Welfare (Guernsey) Ordinance, 2012) is in place but there are three remaining Ordinances to be drafted. These are: 1) welfare in transport (WIT) (primarily during export) 2) licensing of businesses that work with animals 3) regulation of veterinary surgeons	2. Medium	Committee <i>for the Environment & Infrastructure</i>	4

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
				A first draft Ordinance regarding welfare in transport (1) has been sent to the Committee <i>for the Environment & Infrastructure</i> . Officers are giving thought to how the draft will fit with proposed legislation in relation to Animal Health post Brexit and the general requirements relating to enforcement in the Official Controls EU Regulation.			
29.	Committee <i>for the Environment & Infrastructure</i>	IX/2014 (Art. VI)	On-Island Integrated Transport strategy Resolution 10 - requirement to pass a theory test before	The legislation will be finalised once practical arrangements for	2. Medium	Committee <i>for the Environment & Infrastructure</i>	4

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
			driving on the road as a provisional driving licence holder	implementation are agreed.			
30.	Committee <i>for</i> Economic Development	III/2016 (Art. XVII)	Regulation of utilities Remove postal services and electricity regulation by the Guernsey Competition and Regulatory Authority; amend Post Office and Electricity Laws to enable the CED to regulate those utilities.	The Committee <i>for</i> Economic Development is currently reviewing the 2015 States' Resolutions in the context of the direction to be set by the Energy Policy, to determine whether the Resolutions relating to the Guernsey Electricity Limited and the regulations of the electricity sector are aligned with the	3. Low	Committee <i>for</i> Economic Development	2

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
				directions in the Energy Policy.			
31.	Committee for Employment & Social Security	XI/2020 (Art. XII)	Diffuse Mesothelioma Payment Scheme Introduction of a statutory Diffuse Mesothelioma Payment Scheme.	In light of the fact that legislation is not necessary to facilitate the making of payments, work on this Resolution has been paused.	3. Low	Committee <i>for</i> Employment & Social Security	2
32.	Committee <i>for</i> Employment & Social Security	XV/2020 (Art. XV)	Proposals for a new Discrimination Ordinance Rules of Procedure for the Employment and Discrimination Tribunal by Order under the provisions of paragraph 3 of the Schedule to the Employment and Discrimination Tribunal	This was assigned low priority initially noting that it would then need to be re-assessed to become medium priority probably in the third quarter of 2021. This legislation and the workstreams are	3. Low	Committee <i>for</i> Employment & Social Security	2

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
			(Guernsey) Ordinance, 2005.	factored into the proposed recovery actions for prioritisation in the Government Work Plan.			
33.	Committee <i>for</i> Home Affairs	XI/2008 (Art. XVIII)	Sale of knives to under-18's Amend the Police Powers and Criminal Evidence (Bailiwick of Guernsey) Law, 2003 and the Criminal Justice (Miscellaneous Provisions) (Bailiwick of Guernsey) Law, 2006.	Draft legislation was provided to officers in April 2020. This Resolution remains valid and, should time be available, will be pursued by officers.	3. Low	Committee <i>for</i> Home Affairs	4
34.	Committee <i>for</i> Home Affairs	XXI/2009 (Art. IV)	Domestic Abuse Strategy Amend the Domestic Proceedings and Magistrates Court (Guernsey) Law, 1988 Law to allow Court to	Working draft prepared in 2014 but not progressed because officers working to the Committee <i>for</i> Home Affairs were	3. Low	Committee <i>for</i> Home Affairs	4

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
			hand down suspended sentences of imprisonment for breaches of Domestic Violence Injunctions and to permit an individual contesting a breach of a Domestic Violence Injunctions to be remanded in custody.	considering further proposals relating to domestic violence legislation in other jurisdictions.			
35.	Committee <i>for</i> Home Affairs	III/2016 (Art. XIX)	Consumer Protection: Introduction of statutory consumer protection powers Preparation of Ordinance under the Trading Standards (Enabling Provisions) (Guernsey) law, 2009.	It is anticipated that the draft legislation will be considered by the Committee <i>for</i> Home Affairs in August 2021.	3. Low	Committee <i>for</i> Home Affairs	3
36.	Committee <i>for the</i> Environment	X/2014 (Art. VI)	On-Island Integrated Transport strategy Extensive legislative proposals (e.g.	The Committee <i>for the</i> Environment & Infrastructure requested in January	3. Low	Committee <i>for the</i> Environment & Infrastructure	3

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
	& Infrastructure		presumed liability, speed limit review, motorcycle licensing requirements, amendments to theory tests, etc.)	<p>2021 that the following be held in abeyance because significant resources were required to progress them:</p> <p>Resolution 14 – Review of speed limit around schools Resolution 15 – Motorcycle age requirements Resolution 17 – Investigate the introduction of presumed liability for greater protection of cyclists and pedestrians.</p>			

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
37.	Committee <i>for the</i> Environment & Infrastructure	XXV/2003 (Art. XI)	Genetically modified crops Legislation to regulate.	The adoption locally of the Official Controls Regulation (Smarter Regulation for Safer Food) to ensure alignment with UK regulatory controls post-Brexit will result in this area having a higher priority to protect trade with the UK. The necessity and value of this legislation is being considered as part of an ongoing gap analysis looking at legislation that may be of value post-Brexit.	3. Low	Committee <i>for the</i> Environment & Infrastructure	2

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
38.	Committee <i>for the</i> Environment & Infrastructure	XIV/2015 (Art. XIX)	Residential On-Street Parking Ordinance under the Road Traffic (Parking Fees and Charges) (Enabling Provisions) (Guernsey) Law, 2009 to provide for parking permits.	Drafting of legislation requires further input from officers before it can be completed. Officers need to finalise operational and policy matters, as this will guide the finer details of the legislation. The Committee <i>for the</i> Environment & Infrastructure has agreed that this is not an immediate priority.	3. Low	Committee <i>for the</i> Environment & Infrastructure	3
39.	Policy & Resources Committee	XIX/2011 (Art. XI)	States Official Gazette Simplification of legislative requirements for Gazette Officielle publications.	Following consultation with stakeholders, revised proposals to address concerns raised to be put to the Policy & Resources Committee	3. Low	Policy & Resources Committee	4

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
				and a Policy Letter is to be drafted making recommendations to repeal the current Resolution and replace it with a Resolution to modernise the legislation that provides for the Gazette Officielle. Due to the impact on resourcing from COVID and the UK-EU negotiations on the future relationship, this work has had to be reprioritised.			
40.	Policy & Resources Committee	XIX/2011 (Art. XII)	Court of Appeal Amendments to the Court of Appeal (Guernsey) Law, 1961	The draft Law will be considered by the Legislation Review Panel on 21 st June, 2021.	3. Low	Legislation Review Panel	6

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
41.	Policy & Resources Committee	XI/2018 (Art. III)	Transformation of Income Tax and Contributions Services To develop a single service for the collection of Income Tax and Social Security Contributions; to establish the office of Director of Revenue Services and transfer functions of the Director of Income Tax and the operational contributions responsibilities of the Committee <i>for</i> Employment & Social Security and the Administrator of the Social Insurance Law to that post.	The draft legislation is being reviewed by officers. These changes are being progressed by the Revenue Service programme.	3. Low	Policy & Resources Committee; Committee <i>for</i> Employment & Social Security	4

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
			Propositions 7, 9, 10, 11, 12 and 14.				
42.	Committee <i>for</i> Economic Development	VIII/2021 (Art. I)	Control of the first sale and purchase of fish and shellfish landed in Guernsey Legislation to amend the Fishing Ordinance, 1987.	Drafting has not commenced.	4. Not yet prioritised		1
43.	Committee <i>for</i> Employment & Social Security	XV/2020 (Art. XV)	Proposals for a new Discrimination Ordinance Amend existing employment and discrimination legislation to ensure that a consistent approach is taken to offering pre-complaint conciliation with regards its effect on suspending the time limit for registering	Drafting has not commenced. A request for prioritisation will be progressed at the appropriate time, as set out in the project plan.	4. Not yet prioritised		1

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
			complaints and to enable other relevant time limits to be amended as may be considered appropriate.				
44.	Committee <i>for</i> Home Affairs	XX/2014 (Art. XIII)	Channel Islands lottery New Ordinance under Gambling (Guernsey) Law, 1971 to permit other forms of lottery and allocation of proceeds.	Drafting has not commenced.	4. Not yet prioritised	Committee <i>for</i> Home Affairs	1
45.	Policy & Resources Committee	XI/2020 (Art. IX)	Amendments to the legal framework relating to beneficial ownership of legal persons Amendment to the Beneficial Ownership of Legal Persons (Guernsey) Law, 2017, the Foundations	Final draft is with officers. Key stakeholders are being consulted.	4. Not yet prioritised	Policy & Resources Committee	4

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
			(Guernsey) Law, 2012, the Limited Partnerships (Guernsey) Law, 1995, the Companies (Guernsey) Law, 2008, the Limited Partnerships (Guernsey) Law, 2013 and the Income Tax (Guernsey) Law, 1975.				
46.	Policy & Resources Committee	XVI/2020 (Art. XII)	King George the Fifth Memorial Playing Field Trust Preparation of a Law to create a statutory trust to consolidate the King George the Fifth Memorial Playing Field Trust and the Friends of KGV Trust, alter the definition of 'King George's Fields' to allow the commercial parts of the trust property to be	This piece of legislation has not yet been prioritised.	4. Not yet prioritised	Policy & Resources Committee	1

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
			used as security, remove the Bailiff as Trustee and necessary and ancillary amendments.				
47.	Policy & Resources Committee	XXVI/2020 (Art. I)	States of Guernsey Annual Budget for 2021 Amendment of the Income Tax (Guernsey) Law, 1975 to clarify that income paid from an international savings plan is exempt from tax in the manner set out in paragraphs 4.10 and 4.11 (Proposition 6).	Draft legislation is being reviewed by officers, prior to wider consultation with Guernsey Financial Services Commission and industry stakeholders.	4. Not yet prioritised	Policy & Resources Committee	4
48.	States Assembly & Constitution Committee	XVI/2020 (Art. X)	Review of the Code of Conduct for Members of the States of Deliberation Amendment of the Reform (Guernsey) Law, 1948 to empower a	Drafting of the legislation is in progress. Liaison is taking place with the States Greffier from the States of Jersey with a view to	4. Not yet prioritised	Law Officers	3

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
			Commissioner for Standards to be established. Preparation of a new piece of legislation to provide, amongst other things, for the Commissioner's appointment, powers and duties, powers to summons people and to provide records, and offences for failing to appear/provide information.	progressing this work stream. Then a timetable will be devised for the introduction of the post and relevant legislation.			
49.	Committee <i>for</i> Health & Social Care	XXII/2007 (Art. VII)	Health and Social Services Charitable Trust To be constituted by Projet.	The associated extant Resolution directing this work is proposed for rescission in the Government Work Plan - Stage 2.	5. Proposed for rescission	Committee <i>for</i> Health & Social Care	4

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
50.	Committee <i>for</i> Home Affairs	XII/2008 (Art. IX)	Fire services Amendments to the Fire Services (Guernsey) Law, 1989; fire safety education, attendance at road traffic collisions, attendance at non-fire emergencies, mutual assistance at incidents outside Guernsey, investigation of fires.	The associated extant Resolution directing this work is proposed for rescission in the Government Work Plan - Stage 2.	5. Proposed for rescission	Committee <i>for</i> Home Affairs	4
51.	Policy & Resources Committee	XXI/2019 (Art. I)	States of Guernsey Annual Budget for 2020. Provision for equity release mortgages (proposition 28).	This has been put on hold, previously approved as a high priority, as legal advice is that, as noted in the Budget report, the enactment of this legislation is contingent on the prior enactment of legislation providing for lending to be	On hold	Policy & Resources Committee	4

No.	Sponsor(s)	Billet d'État & (Article No.)	Subject & comments	Status	P&R agreed priority	Responsibility for next step	Stage ²⁰
				subject to regulation by the Guernsey Financial Services Commission, to ensure appropriate protection for consumers. The progression of this legislation is dependent on the consumer protection provision being in place.			

**ANNEX 8: PROPOSED REVISIONS TO RULE 4 OF THE RULES OF PROCEDURE OF THE
STATES OF DELIBERATION AND THEIR COMMITTEES**

Information to include in motions laid before the States

4. (1) Every proposition laid before the States shall, other than in the case of a proposition of a type described in paragraph (4), have appended to it a statement explaining or asserting:

- a) whether the proposition contributes to the States' objectives and policy plans and, where it is asserted that it so does, how;
- b) what joint working or consultation (if any) has taken place with other Committees or relevant stakeholders in the preparation of the propositions;
- c) that it has been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications; and
- d) where there are financial implications to the States, the estimate of the financial implications to the States of carrying the proposal into effect;

provided that:

the proposer(s) of such a proposition may request from any Committee any information required to enable such an estimate to be included or appended and the Committee shall thereupon provide complete and accurate information to enable the proposer(s) to set out the estimate.

(2) A policy letter accompanying an original proposition shall also include a statement explaining or asserting:

- a) how the propositions relate to the Committee's purpose and policy responsibilities (Principal Committees) or duties and powers (other Committees); and
- b) whether each of the propositions is supported unanimously or by a majority of the Committee and, if the latter, which member or members are not in support of which propositions should be identified.

- (3) Every original proposition laid before the States may be accompanied by a statement from the Committee or group of Members, as the case may be, expressing its or their preferred date and an explanation, if required, when the item should be considered by the States.
- (4) For the purposes of paragraph (1) the types of proposition that do not need to have a statement appended to them are:
- propositions from the Presiding Officer
 - propositions proposing the approval or adoption of legislation
 - motions of no confidence
 - motions of censure
 - propositions in relation to the adoption of the Schedule for future States' business
 - motions to debate an appendix report.

**ANNEX 9: GOVERNMENT WORK PLAN SUB-COMMITTEE TERMS OF REFERENCE - as
agreed by Policy & Resources Committee 16th March 2021**

1. Serve as a political sounding board with regards to the strategic direction of the Government Work Plan (GWP);
2. Provide political assurance and moderation to the identification and phasing of recovery actions, based on their contribution to States of Deliberation outcomes established in stage 1, and drawn from the:
 - a. Emerging list of recovery actions;
 - b. Extant Resolutions; and
 - c. Legislative drafting requirements.
3. Using existing measures and indicators and taking account of ideas raised through officer-led stakeholder meetings, recommend targets and accountability framework to manage and monitor the actions as far as practicable; and
4. Support the stakeholder engagement and communications necessary to effectively communicate the final recommendations in the GWP.

Membership

The membership of the GWP Sub-Committee is as follows:

- Chair: Deputy Soulsby, Vice President, Policy & Resources Committee
- Deputy Sue Aldwell, Member, Committee *for* Education, Sport & Culture
- Deputy Tina Bury, Vice-President Committee *for* Health & Social Care; Member, Committee *for* Employment & Social Security
- Deputy Nick Moakes, Member, Committee *for* Economic Development; States' Trading Supervisory Board
- Deputy Simon Fairclough, Member, Committee *for the* Environment & Infrastructure; States' Assembly & Constitution Committee; and Scrutiny Management Committee
- Mr Peter Harwood, Non-States Member, Committee *for* Home Affairs; Guernsey Policy & Economic Group (GPEG) Board Member and chair of its economy group.

Officer support:

- Strategic lead for Place Policy
- Strategic Lead for People Policy

- Director of Strategy and Policy
- Senior Policy and Legislation Manager

As required, the Sub-Committee will draw on a wider range of subject matter experts and senior members of the organisation.

ANNEX 10: SUB-COMMITTEE PRIORITISATION CRITERIA

This list is not exhaustive, nor prescriptive, but provides additional guidance to support prioritisation aligned to the Government Work Plan outcomes, guiding principles, and draft mission and objectives.

No.	Questions / considerations	Illustrative criteria		
		Must do in the first 12-18 months	Not do first - later this term	Pause for now – pipeline for next term
1.	It supports economic recovery and growth in the short-to medium term (2-5 years)	It provides resilience to substantial sectors It enables Guernsey to be more competitive, diversify and therefore build resilience. It encourages inward investment	It will support economic recovery and growth indirectly, but not substantively.	It will not support economic recovery or growth.
2.	Does it address an immediate and evidenced issue facing government?	The action would help reduce the States' financial deficit or build financial resilience e.g. it would control costs and expenditure. Future resilience would be enhanced and it supports known, immediate issues.	It does not address an immediate need. Future resilience would be enhanced but there is no immediate urgency.	It does not address an immediate need. It is unlikely to build future resilience.
3.	Does it address an immediate and evidenced need facing the community?	It creates new or more employment opportunities.	It does not address an immediate need, but a medium-term risk.	It does not address an immediate issue, but a future risk.

		It seeks to address social determinants of health ²¹ .		
4.	Is the value to the community clear?	The direct benefits of progressing this action are explicit and obvious. It is clearly aligned to the strategic framework and will help address some of the pressing issues facing government at this time.	Other actions that would call on the same resource are likely to have a greater impact.	The resources required are significant but it is unclear if the impact would be greater.
5.	What is the impact of not progressing this action immediately?	The impact would be significant and could create additional strategic issues for government or the community, and/or cost more in terms of resources.	The impact would be minimal, low or at an acceptable level of risk. Potential workarounds are known but need to be explored that are possible within existing resources.	There would be minimal to no impact.
6.	What is the level of perceived significance to the community?	The community/specific groups would consider this a high priority. More than one specific group would consider this a priority.	The community/specific groups would not view it as a high priority at this time.	
7.	How achievable is it?	The resources are available and it can be completed fairly quickly and simply.	The resource capacity to progress it alongside	The resource capacity to progress it alongside other

²¹ The preferred States of Guernsey definition is yet to be confirmed but the WHO defines social determinants of health as, 'the conditions in which people are born, grow, live, work and age. These circumstances are shaped by the distribution of money, power and resources at global, national and local levels.' [Social determinants of health \(who.int\)](https://www.who.int/social-determinants-of-health)

		<p>It is possible to deliver this within existing resources.</p> <p>The resources are not yet available but it could be completed as required if they were.</p>	<p>other actions is likely to be competing.</p> <p>The requirements and capabilities are not available to progress, so incurring additional costs, i.e. not within existing.</p> <p>An enabling action needs to happen first before this can be commenced.</p>	<p>actions this term is likely to be competing.</p> <p>Additional resource to support its progression would incur additional costs, i.e. not within existing, until that resource is freed up by other actions completing.</p>
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