



# BILLET D'ÉTAT

WEDNESDAY, 18th JULY, 2001

STATES ADVISORY AND FINANCE COMMITTEE

2001 POLICY AND RESOURCE PLANNING REPORT

(Incorporating the Draft Strategic and Corporate Plan)

XV  
2001

TO THE MEMBERS OF THE STATES OF  
THE ISLAND OF GUERNSEY

I have the honour to inform you that a Meeting of the States of Deliberation will be held at **THE ROYAL COURT HOUSE**, on **WEDNESDAY**, the **18th JULY, 2001**, at 10.00 a.m.

**ADVISORY AND FINANCE COMMITTEE**

2001 POLICY AND RESOURCE PLANNING REPORT

The President  
States of Guernsey  
Royal Court House  
St Peter Port  
Guernsey  
GY1 2PB

1 June 2001

Dear Sir,

I enclose a copy of the 2001 Policy and Resource Planning Report.

I request that you will be good enough to lay this Report before the States at a special States Meeting to be held on 18 July 2001, together with appropriate propositions.

Yours faithfully,

L.C. MORGAN

President  
States Advisory and Finance Committee

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**Supplement .....**

The 2001 Economic & Statistics Review forms a supplement to the Policy & Resource Planning Report.

## **Section 1 INTRODUCTION**

### **1.1 THE PURPOSE OF THE POLICY AND RESOURCE PLANNING REPORT**

**1.1.1 The objectives of the Policy and Resource Planning process are as follows:**

- **To define and secure commitment to a set of common Strategic objectives for the States of Guernsey.**
- **To define and secure commitment to a set of common Corporate policies for the achievement of those objectives.**
- **To facilitate the most appropriate allocation and management of the resources available to implement those policies.**

**1.1.2** The form in which the 2001 Report is presented has been substantially revised. The new format is intended to make the Report clearer and more readable and to emphasise the linkages between policies and the resources available to carry them out.

### **1.2 THE NEW REPORT FORMAT**

#### **1.2.1 The Strategic and Corporate Plan**

The single, most important change to the layout of the Policy and Resource Planning Report this year is the incorporation of the draft Strategic and Corporate Plan into the main body of the Report. In previous years the draft Plan has been presented as a separate, bound document.

**1.2.2** The Strategic and Corporate Plan started life more than 10 years ago as a framework for the preparation of land use plans by the Island Development Committee. It has since evolved, however, to include major statements of strategic principle across the range of economic, social and environmental considerations.

**1.2.3** The drawback of this approach has been to erode the distinction between the contents and purpose of the Policy and Resource Planning Report and the Strategic and Corporate Plan. In practical terms this has meant considerable duplication of material in the two documents which makes both less readily understandable and effective.

**1.2.4** To put this right, this year's draft Strategic and Corporate Plan has been reverted mainly to its rôle as the Strategic Land Use Plan (as noted below in the section on Resource Plans). Once the draft Strategic and Corporate Plan has been considered by the States it will be republished in its final, approved form in the Autumn 2001.

#### **1.2.5 Linking Strategic Policy Principles with Implementation**

Although the strategic planning process has become more sophisticated and complex, the link between strategic objectives and implementation needs to be as straightforward as possible. The success of any policy is rightly judged by outcomes 'on the ground' not by the good intentions of the policymakers.

1.2.6 **The new Report format is broadly divided into Part 1 : Policy matters and Part 2 : Resource matters.** The first element of the policy section deals with the 'big picture' – the Island's current economic situation, community issues and top level policy principles. The second element of the section deals with specific projects and policy initiatives which are in the course of implementation following endorsement by the States in previous years or are likely to be brought forward for consideration in the coming year.

1.2.7 By organising the Report in this way, the Advisory and Finance Committee aims to present States members and the public generally with a better integrated picture of the way that government is working to achieve strategic objectives across a wide range of public sector activity.

### **1.2.8 Using Resources to Achieve Agreed Objectives**

The Resource section of the new style Policy and Resource Planning Report is sub-divided as follows:

- **Financial Resources** (dealing with fiscal issues and capital and revenue expenditure).
- **Human Resources**
- **Information and Communications Technology**
- **The Strategic Land Use Plan** (formally denoted as the Strategic and Corporate Plan).

1.2.9 Each sub-section is, in effect, a 'Resource Plan' explaining how money, public sector staff, computer technology and land supply are being regulated and deployed to meet the policy objectives of the States as set out in the policy section.

### **1.2.10 The Economic and Statistics Review**

As in previous years the Economic and Statistics Review (ESR) is presented as a separate document setting out a wealth of factual information about the Island's economy and related matters.

1.2.11 The ESR is already widely used as a source of authoritative information within the States and by outside bodies. **The Committee believes, however, that its rôle should be significantly enhanced over the next few years so that it also becomes a means of monitoring the effectiveness of policy implementation across the board.**

1.2.12 Policy making and implementation is a circular, not a linear, process. It is vital that government should be able to test whether its objectives are being met or not in order to review the effectiveness of its policies and projects in an informed way. Although progress has been made over the last decade to enable the States to work corporately rather than through compartmentalised committees, the Policy and Resource Planning Report is an important vehicle for driving this process forward and bringing cohesion to all aspects of government.

1.2.13 In future, it is proposed that the Economic and Statistics Report will identify and monitor key indicators to determine whether important States targets (eg the supply of

new homes) are being met and whether the Island's economy, social well-being and quality of environment are being maintained overall.

1.2.14 As a step forward in this process, this year's Policy and Resource Planning Report identifies a set of 'Indicators of Sustainable Development' which will be incorporated into next year's Economic and Statistics Review (section 3.2).

**1.2.15 Further Development of the Policy and Resource Planning Report**

In this year's Report, efforts have been made to avoid repetition and unnecessary detail. The Committee considers that the explanation of Policy and Resource Planning should be comprehensive but concise.

1.2.16 Whilst working towards a more streamlined and readable Report, however, the Committee is considering two additional topics for inclusion in future years:

- **New Legislation**

At present there is no specific mention in the Report of the legislation which the States have agreed should be enacted and which is in the course of preparation.

Nonetheless, some aspects of policy are dependent on the introduction of new legislation and the Committee believes it would be helpful if the Policy and Resource Planning Report could summarise the work being done in this area.

Such an approach could, for example, be developed to enable the States to indicate the priority to be afforded to legislation which has already been approved in principle.

- **The work of States committees**

Most of the substantial committees are now producing their own annual Business Plans which explain the way in which they organise their own work and their performance targets.

The Committee considers that this sort of information would be a very useful source of reference about the government of the Island. It will, therefore, consider how the core information can be summarised and collated in a document appended as a supplement to the Policy and Resource Planning Report. The current intention is to produce the appendix to accompany the Policy and Resource Planning Report next year and then once every 4 years to coincide with the election of States Deputies, rather than on an annual basis.

## PART 1

### Section 2 POLICY

#### 2.1 SETTING THE SCENE: THE CURRENT ECONOMIC SITUATION, COMMUNITY ISSUES AND THE MACHINERY OF GOVERNMENT

2.1.1 This section describes the current economic and political context within which government is operating and making decisions. It identifies the major issues which are likely to command attention during the coming year and beyond.

#### 2.2 THE CURRENT ECONOMIC SITUATION

##### 2.2.1 Guernsey – International Finance Centre

The economy of Guernsey is heavily reliant on the financial services sector. The industry is now responsible for 64% of the Island's export economy, and directly employs 24% of the workforce. The benefits and income generated by the financial sector has an effect on virtually all other parts of the economy.

2.2.2 The period from the 1970s to the present day has seen consistent growth in the finance sector. The redrawing of the sterling area in 1972 and the removal of UK exchange controls in 1979 provided stimulus for growth. More recently the buoyant world investment climate and the growth in the World economy in general have increased demand for the Island's expertise.

2.2.3 The main attractions of Guernsey as a finance centre can be summarized as:

- Political and economic stability and independence.
- Respect for the rule of law.
- Independent professional supervisory and regulatory regimes.
- High quality institutions of international repute staffed by a well trained workforce.
- Good communications and a convenient time zone.

The States of Guernsey have always recognised that as a major global financial centre, the Island must demonstrate that it has the highest regulatory standards. The establishment of the Guernsey Financial Services Commission in 1988 was a landmark decision by the States in the implementation of regulatory standards.

2.2.4 **The States have approved the following core principles as guidance for upholding the good reputation of the Island as an offshore financial centre (Billet d'Etat XV 2000):**

- **The States of Guernsey will ensure that local standards of regulation of the financial services sector and co-operation in law enforcement remain at the forefront of developing international standards.**

- **International initiatives will continue to be monitored and internationally accepted initiatives will be adopted where they are in the best interests of the Island and seek to achieve a global level playing field.**
- **Money laundering is recognised as a critical adjunct to underlying criminal activities whilst at the same time tainting financial institutions and if unchecked undermining public trust in their integrity. As a consequence the States of Guernsey will continue to play an active part in the fight against serious crime and all reasonable steps will be taken to prevent money laundering activities within the Bailiwick and thereby to deny safe havens to criminals and their illicit proceeds.**
- **The regulatory and law enforcement agencies of the Bailiwick will continue to work closely together and share information to deny criminals and their illicit funds access to the global financial systems.**
- **The States of Guernsey will preserve an appropriate balance between, on the one hand, recognition of the legitimate right to confidentiality whilst on the other, the need to assist foreign law enforcement agencies to effectively fight serious crime including tax evasion and corruption.**

2.2.5 These principles embody Guernsey's long-established commitment to uphold high standards in the regulation of financial services and to sustain the fight against serious, financial crime.

#### 2.2.6 **The Organisation for Economic Cooperation and Development's (OECD) Concerns about Tax Competition**

Last year's Policy and Resource Planning Report drew the distinction between the well-developed, but continually evolving, international standards in the areas of regulation and law enforcement and the separate issues relating to the development of international standards in taxation and tax competition.

2.2.7 International standards in the area of taxation will inevitably continue to evolve, irrespective of the outcome of the OECD process. The Island will need to keep its taxation system under review in light of the OECD and other international initiatives as well as competitive pressures from jurisdictions such as the Republic of Ireland and the Isle of Man. The Committee and its Fiscal Policy Working Group Sub-Committee continue to give this work priority.

2.2.8 The initiative with the highest profile over the last year has been the OECD's preparation of a list of tax havens operating 'harmful' tax regimes.

2.2.9 Throughout the period since the publication of the OECD's 1998 report entitled "Harmful Taxation : An Emerging Global Issue" the Committee has liaised closely with the Policy and Resources Committee in Jersey. In December 2000 the two Committees issued a joint press release clearly setting out their joint stance towards the initiative and since that time have formed a united front in constructive discussions with the OECD secretariat.

2.2.10 The OECD has identified three broad principles that it considers are the key to a global approach to removing so-called 'harmful tax practices', viz effective exchange of information, transparency and non-discrimination.

- 2.2.11 Whilst the Islands have made clear their willingness to subscribe to these principles, discussions have focused on achieving a clear, mutual understanding of what they will mean in practice and what international standards will need to be developed to give effect to them.
- 2.2.12 It is clear that any such future international standards will need to be developed within a forum broader than the OECD.
- 2.2.13 The Committee's overriding aim in its approach to the OECD initiative is to protect the Island's vital economic interests by maintaining and enhancing its reputation as a well respected, well regulated financial centre.
- 2.2.14 Before making any formal political commitments of cooperation however, the Committee has been seeking clear assurances of a level playing field between the Channel Islands, OECD member countries and significant non member countries with whom we are in competition. It is also being made clear that Guernsey would expect to play a real part in any future forum that may emerge to develop the international standards necessary to give effect to the three broad principles outlined above.
- 2.2.15 On 10<sup>th</sup> May, 2001 US Treasury Secretary O'Neill called for the OECD's work to be refocused to what he describes as its core element 'the need for countries to be able to obtain specific information from other countries upon request in order to prevent the illegal evasion of their tax laws by the dishonest few'. At the time of writing, it is unclear as to what effect this statement by the OECD's leading member will have on how the work in this area progresses.
- 2.2.16 The Committee, together with its Jersey colleagues, will continue to work to arrive at a resolution that keeps the Islands off the OECD's proposed list of 'unco-operative tax havens' and protects and promotes their reputation as world class financial centres.
- 2.2.17 Whatever the outcome of the OECD process the development of international standards in the area of taxation is inevitably set to continue and the Island may well need to make some, possibly, far reaching changes to its taxation system. The extent, nature and timing of such changes will, of course, be influenced by the OECD and other international initiatives, but the strongest driver is likely to be competitive pressure from other jurisdictions (eg Ireland and the Isle of Man). The Committee and its Fiscal Policy Working Group Sub-Committee continue to give this work priority.
- 2.2.18 The Current Position**
- Guernsey continues to enjoy a strong economy. As the finance industry has developed, exponential growth has been experienced. As the industry now approaches a mature state a more modest rate of growth can be expected, subject to the effects of the international developments discussed above.
- 2.2.19 Although Guernsey's economy remains resilient and is well managed it is essential that the States continue to take a prudent approach towards the introduction of new services and when embarking upon major capital projects. This is not only because of the pressure on States revenue, but also because of the overall impact on the Island's economy.

## **2.3 COMMUNITY ISSUES**

### **2.3.1 Part of a Wider Community**

2.3.2 It is not only in economic terms that Guernsey is part of the international community. Standards and obligations now apply across national boundaries, particularly with regard to human rights and fundamental freedoms.

2.3.3 Since 1987 the Advisory and Finance Committee has published, as an appendix to a Billet d'Etat, an annual report on international conventions considered for extension to the Island. Study of those reports gives a clear indication of the breadth and diversity of subjects covered.

2.3.4 The Committee also has to give consideration each year to a substantial number of EU Regulations and Directives which are referred to Guernsey. Whilst the vast majority of EU legislation does not apply to the Bailiwick under Protocol 3, it has to be considered nonetheless to determine whether its application might be beneficial for the Island. Similarly, UK legislation is often referred to Guernsey, not because it applies directly, but to enable consideration to be given as to whether it would be in the Island's interest to enact similar legislation.

2.3.5 International obligations and responsibilities cannot be undertaken lightly. Many international conventions require not only legislative and administrative advice but also carry overseas reporting obligations or require compliance monitoring. Dealing with these international, EU and UK Instruments places considerable and growing pressure not only on the Advisory and Finance Committee's small department which deals with these matters but also on the Law Officers and on staff of many other committees who are consulted.

2.3.6 **The UN Convention on the Elimination of Racial Discrimination** was extended to the Bailiwick some years ago. To comply with the Convention the Bailiwick needs to enact specific legislation which will render racial discrimination unlawful.

2.3.7 **The UN Conventions on the Elimination of all Forms of Discrimination against Women and the Rights of the Child** are under consideration. The Committee hopes that progress will be made in addressing the two conventions but due to the limited staff resources referred to above it has not yet been possible to deal with these complex and important issues.

2.3.8 With regard to environmental conventions, no decision has yet been reached as to whether the **UN Convention on Biological Diversity and/or the UN Convention on Climate Change** should be extended to Guernsey. Some work has been done in the areas covered by the two conventions and it is expected that a definitive view regarding the extension or otherwise of the conventions will be reached in 2001. In the meantime, the Committee is coordinating work on the preparation of a strategy for Biological Diversity at a local level and as a member of the British Irish Council, the Bailiwick is represented in discussions about the practical implications of climate change (see section 3.9).

### **2.3.9 Human Rights Legislation**

On 5 April 2000 (Billet d'Etat IX, 2000), the States of Deliberation resolved that the European Convention for the Protection of Human Rights and Fundamental Freedoms should be incorporated into Guernsey legislation. The resulting Law, The Human Rights (Bailiwick of Guernsey) Law, 2000 ("the Law"), has now received Royal Assent and was registered in the Royal Court in Guernsey on 22 January 2001.

2.3.10 The Law will have profound implications for the executive, legislative and judicial authorities in the Bailiwick and all public authorities will be affected. Although it has not yet been decided when the Law will be brought into force, it is unlikely that this will be before 2002. In the interim, however, the Advisory and Finance Committee is coordinating the work of States committees (and where appropriate and practical, other public authorities) in preparing for the implementation of the Law.

2.3.11 The incorporation of the Human Rights Convention into local law is significant because it will fundamentally alter the way in which the courts interpret the meaning of statutory provisions. In future, the courts will be under a duty to strive to interpret law in a way which is compatible with the Convention rights. This may involve giving meanings to the words of existing legislation which they would not otherwise have carried.

2.3.12 **In summary, the direct consequences of the new Law will be as follows:**

- It will enshrine general principles (ie the Convention rights) in domestic legislation.
- It will fundamentally alter the way in which the courts approach the interpretation of the law.
- Primary legislation which is incompatible with the Convention will be enforced, but may be declared incompatible by the higher courts. In practice, this will create acute pressures to amend the legislation concerned.
- The courts may quash or ignore incompatible subordinate legislation.
- Convention rights will take priority over any rule of common law. The courts must develop common law in a way that is compatible with the Convention rights, regardless of precedent. A lower court is not bound by a higher court's previous interpretation of existing legislation if it considers that this would lead to a result incompatible with the Convention rights.
- Those who believe that their Convention rights have been breached will be able to rely on those rights in any legal proceedings involving a public authority. Proceedings could be brought solely on the basis of the Convention rights or on the back of another cause of action.
- Courts finding that a public authority has breached a Convention right will be able to award whatever remedy is open to them and seems just and appropriate. This may include damages.

The Law clearly has the potential to increase the number and length of contested cases coming before the courts. The more public authorities can prepare for implementation in the coming months, the less time, effort and money should be expended in dealing with challenges after the Law comes into force.

2.3.13 With this in mind, States committees and their departments are being encouraged to approach the situation by:

- Reviewing their areas of legislation, practice and procedure for compliance with Convention rights.
- Assessing new legislative proposals for compliance in a similar way.

- Preparing an overall assessment and detailed action plan.
- Training staff to ensure that they are aware of the implications of Convention rights.

Each committee is also being asked to ensure that any other public authority for which it is responsible or with which it has close links, is made aware of the impending Law.

#### **2.3.14 Legal Aid Scheme**

The Advisory and Finance Committee is committed to ensuring that the Island's justice system, through both its civil and criminal courts, is fair and efficient and commands people's confidence. It must be sensitive to the needs of all parties, and to the public interest in the speedy and effective administration of justice. For the justice system, criminal and civil, to be fair, people suspected of a criminal offence, facing criminal proceedings or involved in a civil or matrimonial case, must receive legal advice and assistance in preparation of the case before a court, when the 'interests of justice' criteria so require.

2.3.15 In addition, the Island's authorities have made a commitment, through HM Government, under the terms of the friendly agreement negotiated in the case of the Faulkner v. the United Kingdom, to establish a civil legal aid scheme, as follows:

"1. The Government undertakes that a policy letter to establish a civil legal aid system in Guernsey, consistent with the Commission's findings in this case, will be introduced by the Advisory and Finance Committee of the States of Guernsey into the States. The Advisory and Finance Committee has confirmed that it intends to submit such a policy letter to the States to authorise the drafting of the necessary legislation and thereafter the introduction of the civil legal aid scheme which will enable Guernsey to comply with the provisions of the European Convention on Human Rights.

To this end the Advisory and Finance Committee has already sought legal advice from the Law Officers of the Crown in Guernsey and has invited the Guernsey Bar Council to make submissions to the Committee as to the form that this scheme should take. The reply of the Bar Council is awaited. Detailed discussions will then take place to establish the principles of a scheme that the Committee can recommend to the States of Guernsey. The Committee intends that the approach to the States of Deliberation will be made in 2000 and that the scheme will come into force in the same year."

2.3.16 The Committee will, in the near future, be seeking in principle approval from the States for a system for civil and criminal legal aid to be established that will satisfy the Island's obligations under the European Convention on Human Rights and specific approval for:

- The establishment of an interim legal aid administration, to replace the current *pro bono* scheme with an agreed system of payments to Advocates undertaking civil and criminal legal aid cases approved under the scheme.
- Funding for these legal aid services.
- Direction for drafting a Law under which detailed proposals will follow.

## 2.4 REVIEW OF THE MACHINERY OF GOVERNMENT

- 2.4.1 The States resolved in December 1998 to establish an independent panel to conduct a Review of the Machinery of Government in Guernsey (Billet d'Etat XXV, 1998). As anticipated in last year's Policy and Resource Planning Report, the Panel (under the chairmanship of Advocate Peter Harwood) presented its report to the Advisory and Finance Committee at the end of 2000. The Report was then published and it has since been the subject of much coverage and debate in the local media.
- 2.4.2 The terms of reference of the Harwood Report (as it has since become known) required the Panel to set out "**possible options for the future without identifying a favoured option**". This having been done, it was agreed between the Panel and the Advisory and Finance and States Procedures and Constitution Committees that the Panel should be asked **to produce a further, interim, statement on the specific option or options it would recommend to the States.**
- 2.4.3 The parties have since had further discussions about the appropriate way of presenting the Panel's preferred option/s to the public. At the time of writing, it is anticipated that a presentation will be made early in June and that a questionnaire will be issued to enable the Committees to canvass public opinion in a structured way.
- 2.4.4 The Advisory and Finance Committee considers that the questionnaire used by the Jersey Evening Post to test public views on the Clothier Report on Jersey's machinery of government had some merit in putting the issues and choices in front of local people. The Committee is also very concerned, however, that any questionnaire used to gather views on the options put forward by the Harwood Panel should be unbiased and effective. A questionnaire which appears to lead a response or which fails to present choices in a coherent way would be counterproductive.
- 2.4.5 To avoid such pitfalls, the Advisory and Finance Committee is discussing the production of a questionnaire with an organisation experienced in conducting impartial surveys.
- 2.4.6 When the various phases of consultation have been completed, the Advisory and Finance and States Procedures and Constitution Committees will present a joint report to a special meeting of the States. That meeting will be scheduled as soon as practically possible bearing in mind the need to ensure that adequate time is allowed for the public consultation exercise and subsequent consideration of the responses received.

## 2.5 COMMITTEE MANDATES

- 2.5.1 Following consideration of the 1997 Policy and Resource Planning Report, the States agreed to the adoption of a common format for the restatement of committee mandates which would more clearly express each committee's existing responsibilities.
- 2.5.2 Last year, the Policy and Resource Planning Report identified the Board of Administration and the Civil Service Board as the two remaining committees who would be bringing forward their mandates for future approval. The Board of Administration's mandate has since been revised and is shown at Appendix I together with the revised mandate of the States Transport Board which has been amended to reflect the Board's enhanced rôle in advising the States on both air and sea services.

2.5.3 The Civil Service Board's current mandate has been derived incrementally over time from a number of States resolutions.

2.5.4 The Advisory and Finance Committee and the Board have discussed ways in which this mandate might now be restated in consolidated form. It may be, however, that further changes will arise following consideration of the report on mechanisms for determining public sector pay in Guernsey (see Part 2, Section 6, Para. 6.1.4). In these circumstances, the Committee believes that it would be better to await the outcome of this investigation before presenting an amended mandate to the States.

### **2.5.5 Rationalising Committees Responsibilities**

One of the issues identified by the Harwood Panel is that "The functions presently undertaken by the various committees of the States of Guernsey ought to be analysed as a precursor to reducing the number of committees of government by combining similar functions that may be common to several of the present committees."

**Whilst, the Committee does not propose to promote a programme of committee mergers in advance of States' consideration of proposals by the Harwood Panel it will encourage the amalgamation of functions where opportunities arise and where this is in accordance with the corporate objectives set out in this Report as a whole.**

2.5.6 It has, for example, been suggested that there should be a rationalisation of committee responsibilities in relation to road works and traffic management. The Committee is very aware of public concern about this issue and will consider how dissatisfaction with the present system can be resolved. The Committee understands that the States Traffic Committee intends to submit a policy letter to the States recommending that clear responsibility, and the necessary accompanying executive authority, is vested in that Committee for improving the coordination of road closures and road works. **The Advisory and Finance Committee agrees that a single body should have executive authority in this respect.**

## **2.6 STRATEGIC OBJECTIVES**

### **2.6.1 STATEMENT OF PRINCIPLES**

**The following Statement of Principles was adopted by the States of Guernsey in July 1996 (Billet d'Etat XIV of 1996). The Statement expresses the relationship between the government and the individual citizen and the respective rights, duties and responsibilities which arise from that relationship.**

#### **1. The community of Guernsey aspires:**

- To foster and develop the conditions by which people may secure their wellbeing and realise their full potential.
- To protect those who are unable to safeguard their welfare or to enjoy an adequate quality of life.
- To sustain the general wellbeing and culture of the whole community.

- As part of an international community, to consider the impact of its actions on the welfare of people elsewhere.

**2. Every member of the community has:**

- A right to benefit from these aspirations.
- A duty to contribute to fulfilling them.
- A responsibility to safeguard his or her own welfare.

**3. The actions of the States are exercised through:**

- A constitutional framework, which defines the terms on which measures may be taken, ensures representation in the decision-making process and provides mechanisms for accountability.
- A legislative and judicial framework, which defines and safeguards the scope and limits of authority.
- An executive and administrative framework, which implements the decisions of the duly constituted authority.

**4. The States have the duty:**

- To serve and protect the community and its members.
- To recognise and respect the rights and independence of individuals as members of the community.
- To act as the steward of the Island, not only for present but also for future generations.
- To protect the international constitutional status of the Island.
- To manage Guernsey's affairs on a sustainable and cost-effective basis.
- To develop and implement measures to meet the aspirations of the community.

**5. To this end the States undertake:**

- To secure the provision of an infrastructure of resources and services for the people of Guernsey.
- To secure the provision of services and benefits which protect and enhance the welfare of individuals, groups and the whole community.
- To facilitate economic activities which make best use of available resources to create wealth for the community.
- To secure the maintenance and improvement of the environment of the Island.

- To secure the representation of the Island's interests on international matters.

\* For the purposes of this Strategic and Corporate Plan the "community of Guernsey" is generally taken to be those who are legally, ordinarily resident in the Island and members of their household. Its application to others, including residents of Alderney and Sark, is determined by appropriate legislation or resolution of the States.

## **2.6.2 STRATEGIC POLICY STATEMENTS ON THE ECONOMY, SOCIAL ISSUES AND THE ENVIRONMENT**

**The three following statements on the Economy, Social Issues and the Environment encapsulate the way in which the States of Guernsey approaches the task of government in conformity with the over-arching Statement of Principles in 2.6.1.**

### **1. THE ECONOMY**

**The aspirations of the community can best be met if economic conditions are such that there is:**

- A sustainable rate of economic development.
- An economic structure of sufficient diversity to provide a range of employment opportunities appropriate to the skills and abilities of the Island workforce.
- The availability from within the Island population of a workforce sufficient in numbers and with the skills necessary to service the present and ongoing essential economic, social and environmental needs of the community.

**To facilitate the maintenance of these economic conditions the States will:**

- Seek to maintain and where possible enhance the Island's competitive position in such areas as the direct and indirect tax structure and the legislative framework.
- Favour the development of enterprises which satisfy as closely as possible the following attributes:
  - Produce a high added value in the use of Island resources.
  - Make efficient use of Island resources.
  - Provide a high net contribution to the Island economy and to public sector revenues.
  - Contribute to the achievement of social and environmental objectives.

- Encourage the workforce to achieve its optimum earnings potential and productivity through education, training and retraining to develop the skills needed to sustain economic growth and to enable individuals to exploit fully the opportunities which such growth can bring.
- Control through the Housing Licensing system the importation of outside labour in a manner consistent with the achievement of economic, social and environmental objectives.
- Encourage investment in advanced technology and other capital items which improve productivity or the quality of local products and services.
- Provide in an efficient, economic and effective manner the level of essential public services sought by the community and fund them on a long term basis by the generation of public sector income from taxes on profit, personal income, consumption of goods and other sources.

## **2. SOCIAL ISSUES**

**The aspirations of the community can best be met if social conditions are such that people:**

- Feel secure and part of an Island community which has:
  - A concern for the wellbeing of individuals.
  - Respect for the community values, culture and heritage of the past which can enlighten the attitude to the future.
- Are adequately housed, fed and clothed.
- Have the opportunity to develop their potential through education, training and leisure pursuits.
- Have access to services which will assist them in maintaining and improving their physical, mental and social wellbeing.
- Have access to support and protection in conditions of dependency, such as childhood, old age, disability and special need.

**To facilitate the maintenance of these social conditions the States will:**

- Develop and maintain a legislative and administrative framework which protects people's rights and freedoms.
- Assess social needs and identify how, within the resources available to the community, these might best be met through a combination of services.

**provided by**

- family support and voluntary/charitable bodies or

- private enterprise or
- the States;

where **access** is

- through a commercial transaction (including social security contributions) or
- based on an assessment of need or
- is universal by way of right;

and where any **charge** for accessing the service is met

- by the individual or
- by the States or
- jointly by the individual and the States.

- Seek to deliver in an efficient, economic and effective manner the range of coordinated and responsive social services required of them.

### **3. THE ENVIRONMENT**

**The aspirations of the community can best be met if environmental conditions are such that:**

- Renewable resources are conserved.
- Non renewable resources and irreplaceable environmental assets are used prudently and are not depleted below a level which is necessary to maintain the health and quality of life of the existing population and of future generations.
- In the development of policies and programmes, immediate and longer term environmental factors are given equal consideration alongside economic and social factors.
- In the implementation of policies and programmes, measures are undertaken:
  - Both to protect and achieve an overall enhancement of the environment.
  - To minimise any detriment to the environment and, when such detriment does arise, to provide for compensatory beneficial measures.

**To facilitate the maintenance of these conditions the States will:**

- Develop and maintain a legislative and administrative framework for the protection and enhancement of the environment.

- Develop and maintain an audit of the Island's natural and built environmental assets and identify and agree priorities for the maintenance and protection of those assets.
- Set targets for the protection and enhancement of the environment and agree actions for meeting those targets in an efficient, economic and effective manner within the resources available to the community.
- Require that environmental implications are clearly presented in all policy proposals submitted to the States.
- Promote and encourage the adoption of best environmental practices in the Island particularly through the example of the administration and management of their own land, property and other resources.

## **2.7 CORPORATE PRACTICES**

**The following statements set out the Corporate Practices and Policies which the States of Guernsey have adopted to enable States committees to meet the strategic objectives set out in Section 2.6 above.**

**These statements provide the benchmarks for the preparation of the Resource Plans (Financial, Human Resources, Information and Communications Technology and Strategic Land Use Plans) which form Part 2 of the Policy and Resource Planning Report.**

### **2.7.1 Corporate Practices – Overall Policy**

- The States of Guernsey are a corporate body and every States committee and its employees should:
  - Be committed to the States strategic objectives and the policies being pursued to achieve them.
  - In all activities, be seen to act impartially, consistently, equitably and with confidentiality, in accordance with the law, States policies and generally accepted principles of best practice.

States committees are accountable to the States for the efficient, economic and effective management and safeguarding of public funds and other resources entrusted to them.

- The processes for the preparation and consideration of the Policy and Resource Planning Report and for the adoption of the Strategic and Corporate Plan provide the means by which the States can debate and resolve on its strategic objectives and policies.
- One of the Advisory and Finance Committee's responsibilities is the development and maintenance of administrative and accounting guidelines on what constitutes accepted best practice and against which the activities and practices of States committees and their employees can be audited.

- To ensure impartiality, consistency and equality of treatment across the whole of the States, the Civil Service Board is responsible for the setting of pay levels and conditions of service for States employees except for a small number of specifically excluded groups.

## 2.7.2

### **Financial Policies**

#### **1. A Balanced Budget**

- The General Revenue Account is the mechanism within which general revenue income is accrued and from which annual allocations are made for revenue and capital expenditure and for allocations to reserves.
- The level of income is reviewed and rates of taxation revised annually with the aim of ensuring that sufficient monies are available to cover the coming year's revenue expenditure, appropriations to the Capital Fund and to reserves.
- Within the General Revenue Account, provision is made each year to maintain a residual balance, the General Revenue Reserve, against unforeseen variations in levels of income and expenditure. The long term target for the General Revenue Reserve is 5% of general revenue income. The actual balance accrued at the end of the year is carried forward and is available to assist in balancing the following year's budget.
- There is a general presumption against raising monies to fund capital expenditure by way of borrowing. Such borrowing would not be ruled out, however, in exceptional circumstances.

#### **2. Raising Public Sector Income**

- - The major proportion of general revenue income is raised on an "ability to pay" basis through income tax.
- - There is a fundamental presumption that the basic rate of income tax will be set annually at no more than that of directly competing offshore financial jurisdictions, which is currently 20%.
- - Allowances against taxable personal income are applied in a consistent manner to all Island residents.
- - Business profits are taxed so as to achieve a balance between consistency of treatment across all business sectors and enhancing the Island's competitive trading position.
- Whilst a relatively small proportion of general revenue income is raised through a tax or duty on specified goods, transactions and property ownership, there has been a presumption against the introduction of a general tax on consumption.
- Income raised by way of tax, duty and other sources accrues to the General Revenue Account for allocation across the whole range of States general revenue activities. Such income is not earmarked for expenditure in the area from which it was raised.

- The entire services of a number of committees of the States, and some services within the mandates of other committees, are operated on a trading basis with income being generated through the charging of fees for services. With one major exception (the philatelic operation of the Post Office Board) trading undertakings are currently not required to contribute funds for the General Revenue Account.
- The services provided by the Social Security Authority under the Health Service and Social Insurance Schemes are funded by contributions from employees, employers, the self-employed and the non-employed earned income above specified levels. There are grants from general revenue to supplement contributions from those on lower incomes.

### **3. Expenditure and Reserves**

- Each year total revenue expenditure and that for individual committees is subject to a limit imposed by the States which reflects the priorities which the States attach to services, the demands for those services, the requirements of the capital programme and a projection of income.
- In rare instances, elements of revenue expenditure are considered to be formula led in that expenditure is incurred in compliance with legislation or some other requirement over which a committee can exercise little control in the short term. Such elements of expenditure are not subject to a predetermined limit.
- Individual committees are able to retain unspent balances remaining on revenue expenditure at the end of the year other than in respect of formula led expenditure. Subject to the approval of the Advisory and Finance Committee, unspent balances are available to the individual committee to offset overspends or an increase in expenditure in other areas, or to convert into a capital allocation.
- Funds for capital expenditure are allocated on the basis of a three year rolling programme. The magnitude of the new allocation made to top up remaining allocations each year is determined by the funds available and a review of capital requirements over the coming three year period. Having received an allocation, committees are required to obtain specific approval from the States (or for smaller projects the Advisory and Finance Committee under its delegated authority) before capital projects may be undertaken.
- In addition to maintaining a General Revenue Reserve, whenever possible, monies are put to reserve funds which have been established with the following aims and targets.
  - The Contingency Fund – a strategic reserve which it is intended will only be used to ease the transition to a reduced level of public sector expenditure in the event of a structural (ie major and long term) detrimental change in the Island's finances or to meet an emergency requirement of exceptional magnitude. The Advisory and Finance Committee announced in the 1997 Budget Report that the target for the Contingency Fund should be regarded as 100% of annual revenue expenditure.
  - The Capital Reserve – a tactical reserve established in 1994 to contribute to the cost of unusually large capital projects foreseen for

future years which cannot reasonably be financed from annual allocations without detriment to the ongoing capital programmes. The Reserve could also be used as a means of achieving a more even flow of capital spending over the economic cycle.

### **2.7.3 Human Resource Policies**

- The States have resolved that the States Civil Service Board shall control the total States establishment through the application of a Staff Number Limitation Policy.
- In applying the Policy, the Board is required to have regard to the Strategic and Corporate objectives, policies and priorities adopted by the States and the detailed arrangements approved by the States in December 1995 (Billet d'Etat XXIV, 1995).
- The long term aim of the policy is to achieve a reduction in the total establishment of the States and the immediate aim in any one year is to limit net growth to as close to zero as possible.
- The Civil Service Board has been directed to consider, in consultation with the Advisory and Finance Committee, refinements to the application of the Policy to make it more flexible but without fundamental changes being made until the States have resolved issues relating to the extent of their services and the regulatory framework within which they are delivered.

### **2.7.4 Information Technology Policies**

- The basic thrust of the States IT Strategy has, to date, been to decentralise the operational decision-making processes on the specification of hardware/software for specific applications but to exercise corporate regulation through the issuing of guidance notes, the establishment of an investment appraisal and post implementation review process and a requirement for committees to submit IT Policy Statements to the Advisory and Finance Committee for approval. However, this approach is currently under review and the Committee will be bringing proposals to the States in the near future which are aimed at maximising efficiency and creating the opportunities for delivering the benefits of e-Government.

### **2.7.5 Strategic Land Use Policies**

- States policy is for economic growth and environmental quality achieved through a balanced and sustainable strategy for the benefit of Guernsey. The three interdependent principles of sustainable development as they relate to the local context are:
  - To encourage the further social and economic development of the Island and to ensure as far as possible that sufficient land and support infrastructure are available to accommodate this objective.
  - To use land and buildings efficiently, and consequently to channel development activity into existing and committed urban areas, particularly through a rehabilitation and upgrading of the existing fabric and infrastructure thus constraining further inroads into undeveloped land and generally resulting in higher density development than at present.

- Actively to conserve and enhance the quality of the environment of both urban and rural areas.
- These principles underlie the seven strategic themes on which the Strategic Land Use Plan is based:
  - **Housing:** making optimum provision for the Island's housing needs.
  - **Employment:** meeting the needs of a diverse economy.
  - **Commercial Centres:** maintaining the vitality and viability of Town, the Bridge and other parish centres.
  - **Strategic Transport:** securing the provision of adequate air and sea links.
  - **Water and Waste:** sustainable management and the provision of essential infrastructure.
  - **Social, Community and Recreation:** enabling the broadest possible access to facilities and services.
  - **Countryside:** balancing the competing demands on the countryside.

#### **2.7.6 Corporate Governance, Risk Management and Disaster Recovery**

In all aspects of Corporate Practice and the management of public resources, the Committee wishes to ensure that appropriate standards of **Corporate Governance** are adopted by all States bodies including the proposed commercialised trading undertakings. In its third annual report (Appendix I, Billet d'Etat VI, 2001) the Audit Commission sets out the importance that it places on establishing the highest possible standards of Corporate Governance to ensure that committees "can improve their stewardship of the public funds entrusted to them".

2.7.7 The Committee is working on the many separate areas of Corporate Governance. However, as reported in last year's Policy and Resource Planning Report (paragraph 5.3.11) one specific area that has been identified for early review is **Risk Management**. As a result of the Audit Commission's report on Risk Management and Insurance (Appendix II, Billet d'Etat X, 2001) an officer level working party, consisting of staff from the Treasury, the Internal Audit Department and the Board of Administration, has been established. Following a competitive tendering exercise, Marsh Risk Consulting, specialist consultants in this area, have been appointed to assist the working party to develop a framework for enhancing States Risk Management procedures.

2.7.8 The existence of formal, up to date and regularly tested **Disaster Recovery (Business Continuity) Plans** is an essential part of risk management. In the last few years the number of States Departments with such formal plans has increased significantly. However, further work is still required in some areas and all States committees are encouraged to develop comprehensive, realistic and tested Plans adequate for their own purposes. Although, by their nature, Disaster Recovery Plans need to be specific, and appropriate, to individual departments, the Committee will be working with committees to ensure, as far as possible, a common approach using shared resources.

## **2.8 RECONCILING RESOURCE REQUIREMENTS WITH RESOURCE AVAILABILITY**

2.8.1 One of the purposes of the Policy and Resource Planning process as set out in the main Introduction to this Report is to facilitate the most appropriate allocation and management of the resources available in order to achieve strategic objectives.

2.8.2 **To date, the Advisory and Finance Committee and Civil Service Board have adopted the following approach to reconcile competing demands from committees for financial and human resources:**

- To seek to meet demands for incremental increases in resource requirements through a reduction of requirements elsewhere or through increased efficiency.
- To seek to avoid a deterioration in the existing levels of essential health, education and other social services which might be caused by a lack of resource allocations.
- To ensure that any major development of services involving a significant increase in resource requirements is only undertaken with the prior approval of the States.
- In the use of any surplus of income over expenditure to give priority to:
  - Capital projects which secure the continued availability of existing assets through repair or replacement.
  - Capital projects which will result in savings in revenue expenditure or directly generate additional income to the States.
  - Capital projects which meet unavoidable or generally accepted needs.
  - The building up of reserves to meet projected future requirements or to provide against future adverse circumstances.

2.8.3 **This approach has been broadly successful in the past but it will not be sufficiently robust to deal with the increasing pressure on public resources over the next decade.** In purely financial terms, the level of public expenditure required to meet the community's rising aspirations for more and better housing, healthcare and education facilities cannot be managed without an effective mechanism to establish priorities. In reality, however, the commitment of financial resources is only part of the picture since the provision of improved services also places similar demands on human resources and in some cases, on the development of land and the capacity of the local construction industry.

### **2.8.4 Planning and Prioritising the use of Resources on Public Property and Infrastructure**

The Advisory and Finance Committee has on various occasions drawn the attention of the States to the ever increasing demands by States committees for additional resources. Requests for capital allocations have risen from £89 million in 1997 to £195 million in 2000. This year's requests total over £300 million. That is more than a

threefold increase in just five years. The Capital Reserve stands at around £100 million and is effectively fully committed to projects already approved or approved in principle. In addition to funding committees' capital allocations States income has to fund committees' revenue allocations which stand at a record £235 million for 2002. (See Financial Report, sections 4 and 5.)

2.8.5 Previously the Advisory and Finance Committee has recommended capital allocations to the States on a basis that would allow individual committees to progress their highest priority projects, albeit with a considerable degree of flexibility for committees to work within that allocation. This system has worked effectively in the past but does not cope well with the level of high value projects now emerging. The introduction of the Capital Reserve in 1994 remedied this to some extent by increasing the degree of flexibility in allocating capital funding. However there is a danger that the system can favour "first come first served" and can jeopardise future projects which may be of a higher corporate priority.

2.8.6 The States are now faced with a number of very significant projects and integrated site development plans that in themselves demand prioritisation of individual elements of the plans. The above process is no longer considered adequate. The Advisory and Finance Committee firmly believes that a more reasoned and effective corporate approach is now required.

2.8.7 The States need to plan, prioritise and match resources to requirements at an early stage of any capital project. This is vital and will become all the more so as limitations on resources, inflationary effects and recession, impact on our ability to maintain the Island's infrastructure and provide the ever increasing services demanded by the public and States members. The States will have noted that the Committee has consistently stressed the need for committees to prioritise their projects more carefully, particularly in respect to property matters. Emphasis has been put on the need to prepare individual committee "Property Plans". This must apply equally to the States as a whole.

#### **2.8.8 A Strategic Property Plan**

Considerable progress has been made in recent years in the preparation of "Property Plans". The Board of Health, the Education Council, the Housing Authority and the Heritage Committee, all have plans at various stages of development. There is however a long way to go. In any event these plans are specific to those committees' requirements and aspirations and do not take account of competing demands for limited States resources.

2.8.9 **The Advisory and Finance Committee recognises that individual committees' Property Plans need to be integrated into a States Strategic Property Plan which should:**

- Effectively cover major capital and revenue expenditure on fixed assets including not only capital projects, but also major expenditure on items such as roads, sewers, major maintenance programmes etc, whether they are categorized as capital or revenue items.
- Complement the allocation of financial and human resources and be prioritized on a logical basis. The prioritisation process will take into account a wide range of factors and will not be simply based on cost. The overriding principle should be to achieve best corporate value for the States of Guernsey.

- 2.8.10 Once the States have approved the “Strategic Property Plan” it is essential that there is a high level of commitment by the States to that plan and that any attempt to circumvent it by individual committees is firmly rejected, except in the most exceptional of circumstances. To assist in meeting this vital strategic requirement the Advisory and Finance Committee has recently reconstituted the Capital Works Sub-Committee, with a broader remit, to undertake on an ongoing basis the strategic overview of States property.
- 2.8.11 In recognition of its enhanced role the Sub-Committee has been renamed as the Estates Sub-Committee and is mandated to advise the Advisory and Finance Committee on the “Strategic Property Plan” and other associated significant capital or revenue issues. The Estates Sub-Committee will proactively consider property provision and utilisation with a view to achieving best value, always recognising that there is no one definition of best value or one way of obtaining best value. The Sub-Committee’s role will be to challenge the need for projects and assess their compatibility with the “Strategic Property Plan”, as well as individual committees’ own “Property Plans”. It will have a duty to advise the Advisory and Finance Committee, when committees seek approval to carry out significant capital or capital related revenue works.
- 2.8.12 Planning and Prioritising Other Committee Projects and Policy Initiatives**
- Not all major projects involve the sort of expenditure on fixed assets described above. Some schemes (eg the Long Term Care Insurance Scheme and other social projects) may be in competition for public funding and may have significant staffing implications but they will not be subject to the scrutiny outlined above.
- 2.8.13 The Advisory and Finance Committee considers that a further mechanism is required which can apply corporate priorities to all major projects and which can ensure that best value is achieved across the board. The intention is to develop, in consultation with other States committees, a comprehensive new system which prioritises the allocation of resources in accordance with strategic objectives.
- 2.8.14 At present, committees are encouraged to use the policy planning process to give notice of new initiatives they are bringing forward. Although many proposals do come forward in this way this is not always the case and it is still possible for a committee to present a major new project to the States outside the annual policy planning cycle.
- 2.8.15 On rare occasions this may be an inevitable and necessary response to an unforeseeable event (or, conceivably, an unforeseeable opportunity) but with a system of annual review it should normally be possible to include new schemes within a corporate programme endorsed by the States.
- 2.8.16 Amongst the many advantages of this approach is the opportunity to explore the broader implications of a project to ensure that it is fully evaluated before any abortive work or costs are incurred. The Advisory and Finance Committee believes that the overall outcome should provide the States with a better prepared and tested basis for making decisions.
- 2.8.17 **The States are recommended to endorse the Advisory and Finance Committee’s proposal to review the arrangements for the corporate prioritisation of major States projects and policy initiatives including the preparation of a corporate property plan for consideration by the States of Deliberation.**

## 2.9 CORPORATE POLICIES

In previous years, the Strategic and Corporate Plan has identified certain areas of corporate policy which have a particular significance for the achievement of strategic objectives. These policy areas relate to population management, the use of energy and the maintenance of law and order. These policies have now been transferred to the Policy and Resource Planning Report with appropriate recommendations.

### 2.9.1 Population

As reported in the Policy and Resource Planning Report 2000, the States resolved in April 2000 to dissolve the States Population and Migration Committee and to transfer its mandate to the Advisory and Finance Committee. The States further approved the establishment by the Advisory and Finance Committee of a Population Working Party.

2.9.2 The mandate of the new Population Working Party included responsibility to:

**“review population policies and report to the Advisory and Finance Committee with recommendations for any changes which would be referred to the States through the annual Policy and Resource Planning process for incorporation in the Strategic and Corporate Plan”.**

2.9.3 The Working Party was subsequently formed under the Chairmanship of Deputy M E W Burbridge. It met for the first time on 2 October 2000 and on eight further occasions. As a basis for reviewing population policies the Working Party used as a guideline the “Population and Housing Policies” document produced by the Advisory and Finance Committee in 1998.

2.9.4 The initial focus of the Population Working Party fell upon the population controls effected by the issue of housing licences under the Housing Control Law. **However, early on in the process of reviewing population policies it became clear that, although the licensing system clearly has an effect upon immigration, the major reason for the increase in Guernsey’s population size would arise from increased longevity. During its deliberations the Working Party was advised that at any time only 6-7% of the population is subject to licence control.**

2.9.5 The Working Party found very little requiring change in existing States policy towards population control (as set out in the Strategic and Corporate Plan 2000). The Working Party did, however, recognize the necessity for suitable manpower resources to be available to support the economic, social and environmental objectives of the States.

2.9.6 **The Advisory and Finance Committee has since agreed the following revised Population Policy as recommended by the Working Party:**

- (i) **The growth in population should be limited to as low a level as possible consistent with achieving Economic, Social and Environmental objectives.**
- (ii) **The main population control measures should continue to be the Housing Control Law and the Right to Work Law.**
- (iii) **The States should continue to encourage the use of new technology and the provision of training in order to increase the level of skills and productivity of the resident population.**

- (iv) **As far as possible, jobs should be filled by local residents. However, there continues to be a need to employ overseas labour to supplement the local labour force in specific areas.**
- (v) **No members of the resident population, be they licence holders, Open Market residents or members of their households, shall be restricted from maximizing their contribution to the economy through employment.**

2.9.7

**In support of the objective set out in (i) above, the Housing Authority has stated that, in administering the Housing Control and Right to Work Laws, its policies are as follows:**

1. (a) **The vast majority of those employed from overseas should continue to be on short-term housing licences (ie for periods up to nine months or three years).**  
  
(b) **The issue of short-term licences should be judged on the basis of no suitable local labour being available to undertake the work.**
2. **Wherever possible, essential licences will be limited so that such licence holders do not reside in Guernsey for more than five consecutive years. The Authority may issue licences for longer periods of residence where appropriate, for example, where (i) limitation would act to the detriment of achieving Economic, Social and Environmental objectives, or (ii) long term continuity in the post is essential to the community; or (iii) the skills required for the post are scarce on a national or international basis so that recruiting is exceptionally difficult.**
3. **The Housing Authority, when considering an application for an employment related licence, will take into account the extent to which the applicant is using new technology and providing training.**
4. **With the exception of licences granted in respect of cohabitation on a one to one basis, the Housing Authority will generally only grant licences, on compassionate grounds, to persons who:**
  - (a) **are potentially qualified residents as specified in the Law; and**
  - (b) **are currently resident in the Island; and**
  - (c) **have already completed a substantial proportion of the specified qualifying period.**

2.9.8

The Population Working Party also identified the need for the public to have confidence in the effectiveness of legislation that places statutory requirements in connection with working and/or living in Guernsey. The Working Party was pleased to note that the Housing Authority is currently undertaking a review of its business processes and the Laws it administers. The Authority advised the Working Party that the review will include examining the feasibility of closer cooperation with the Social Security and Income Tax Authorities.

2.9.9

**In order to ensure that the importation of labour is, as far as is reasonably practicable, kept to a minimum the Population Working Party also identified the following measures which received the approval of the Advisory and Finance Committee:**

- The Advisory and Finance Committee should liaise with the Social Security Authority for the purpose of assessing the availability in the Island of untapped labour sources. This would principally concern retired persons but also potentially those receiving statutory benefits and women who might be available for limited or flexible hours.
- If a reasonable supply of untapped labour is proven to be available, initiatives should be undertaken in consultation with employers to further encourage the use of such a resource by providing, where possible, flexible hours, job sharing options, outsourcing to the home etc.

2.9.10 **In order to ensure that as far as possible the relationship between population growth and support of that growth is as informed and managed as possible** the Population Working Party identified a need for improved demographic data covering the whole of the population. Its recommendation, which appears below, also received the approval of the Advisory and Finance Committee.

- The Advisory and Finance Committee Policy Unit, (Economics and Statistics), in conjunction with the Housing Authority and Social Security Authority be requested to review and report back on ways, (other than by the five yearly Census), of establishing the number of and recording relevant information on all persons resident in the Island. This will include Open Market residents and members of their households and licence holders and their associates.

2.9.11 **The Advisory and Finance Committee recommends that the States endorse the findings of the Population Working Party and the amended Population Policy as set out above.**

## 2.9.12 Energy

States Energy Policies as stated in last year's Strategic and Corporate Plan are as follows:

- **Building regulations should be monitored and regularly reviewed so that they take account of any improved energy conservation standards which are introduced, particularly in the United Kingdom, and implemented as soon as possible following any changes there.**
- **The Board of Administration should continue to manage an ongoing public awareness campaign on the economic and environmental benefits of energy conservation.**
- **Private sector energy suppliers should be encouraged to make their consumers aware of ways of conserving energy.**
- ***\* Energy use in States departments should be reduced over a five year period by 20% based on 1990 consumption levels. (If expenditure is involved then this should be assessed on no more than a four year payback period).***
- **The practicability of using renewable energy sources for producing electricity should continue to be monitored by the States Electricity Board and other States departments. Individuals and businesses should be encouraged to use renewable energy resources wherever practicable. Progress on the use of renewable energy should be reported upon annually in the Policy and Resource Planning Report.**

- **Due weight should be given to the potential benefits both to the Island and globally, of reducing energy consumption and greenhouse gas emissions in the drawing up and implementation of traffic and other policies.**
- **The installation of combined heat and power systems where economically feasible should be encouraged. The States Electricity Board shall without delay draw up guidelines for connection to the electrical distribution network, and set a price for such electricity as is amenable to the Board and encourages potential combined heat and power system operators.**

2.9.13 The Board of Administration has undertaken the responsibility for energy management on behalf of States committees but is concerned that this centralised rôle is discouraging other committees from maintaining/replacing installations in a timely way. For example, a recent survey of ten States buildings identified a number of cases where boiler installations are still in operation far beyond their original life expectancy.

2.9.14 The Advisory and Finance Committee agrees with the Board of Administration that its future energy management rôle should be limited to an audit function. The replacement of major plant would then be undertaken by the committee with responsibility for the building concerned as part of a planned Capital Replacement Programme.

2.9.15 To assist this approach towards a more cost effective and environmentally friendly use of energy by States departments, the Advisory and Finance Committee and the Board of Administration agree that the policy above, (fourth bullet point), should be modified to delete the imposition of the four year payback period for expenditure on new installations. **The revised policy would read:**

**\*Energy use in States departments should be reduced whenever practicable in accordance with a planned programme. Where major expenditure is involved the proposals shall be submitted to and approved by the Advisory and Finance Committee.**

2.9.16 **The Advisory and Finance Committee is recommending that the Energy Policies be adopted by the States as amended and that the Board of Administration assumes an audit rôle in relation to energy management reporting to the States on a regular basis.**

**2.9.17 Law and Order**

The importance of maintaining high standards of law and order to uphold the reputation of Guernsey's finance industry was highlighted earlier in this Report in the section entitled 'The Current Economic Situation'.

2.9.18 The maintenance of law and order within the Island is also a prerequisite for achieving the objectives of the Strategic Policy Statement on Social Issues. During the past year there has been increasing concern about recruitment and retention of police personnel (as with staff in other key services). Reference is made to this in the Human Resource Plan.

2.9.19 **As a matter of Corporate Policy the States of Guernsey will strive:**

**To prevent all types of criminal activity operating in or from the Bailiwick and to pursue all criminal activity that may occur, including the provision of assistance to international law enforcement agencies.**

**In the implementation of this strategy:**

- (a) the States Committee for Home Affairs will continue to pursue those policies included in the Committee's Report to the States of January 1998 (Billet d'Etat II), and covering such aspects as community policing, public order, crime, financial investigation and drug, alcohol and solvent abuse;**
- (b) the Board of Administration will continue to pursue the strategic objectives set for the Customs and Immigration Department with respect to the combat of drug smuggling and money laundering as presented in the 1999 Policy and Resource Planning Report;**
- (c) the States Advisory and Finance Committee and other appropriate agencies will continue to pursue those policies identified in the volume relating to Guernsey of the "Review of Financial Regulation in the Crown Dependencies" (November 1998).**

## PART 1

### Section 3 IMPLEMENTATION – PROJECTS & POLICY INITIATIVES

#### 3.1 A BETTER INTEGRATED APPROACH

3.1.1 It was explained at the beginning of this Report that the new format would include a section dealing with specific projects and policy initiatives which are already in the course of implementation following earlier endorsement by the States or which are likely to be brought forward for consideration in the coming year.

3.1.2 Major projects have had a place in previous Policy and Resource Planning Reports but have appeared as individual items rather than being organized within a more coherent framework.

3.1.3 This year, as a step towards a Policy and Resource Plan which focuses more strongly on achieving results rather than on the process of policy making, the new implementation section draws projects together under the same broad policy headings used elsewhere in the Report: the Economy; Social Issues and the Environment. In reality, of course, a social project is likely to have economic and environmental implications as well but whilst acknowledging that the categories are simplistic, the Committee sees this device as a way of presenting information in a more ordered way which is relevant to States policy objectives.

3.1.4 **The Advisory and Finance Committee proposes to develop this approach next year and in future policy cycles into a process which integrates individual projects within broader corporate programmes. In this way, the planning and prioritizing of projects and initiatives can take into account both the potential value and the resource requirements of a particular scheme as part of a bigger plan of government action. Such an approach can also take into account the crucial issue of timing.**

3.1.5 **In this year's Report it is only possible to describe the broad direction in which the Committee wishes to progress. A great deal of work and consultation will be required to put this new system in place. This will also include work on the use of indicators and targets to monitor and review the achievement of objectives.**

#### 3.2 MEASURING PROGRESS

3.2.1 It is currently envisaged that there will be two methods of measuring the impact of States policies:

- Indicators of Sustainable Development
- Performance Targets related to specific policy areas or programmes.

##### 3.2.2 Indicators of Sustainable Development

During Spring 2001, the Committee's Policy Unit has consulted with States committees and outside bodies to produce a set of **17 Headline Indicators of Sustainable Development in Guernsey**. These Headline Indicators simply identify

the areas to be monitored to give a broad overview of Guernsey's quality of life as it affects us all now and as it affects the Island we will be passing on to future generations.

3.2.3 **The recommended indicators are:**

1. **Population Level**
2. **Economic Growth**
3. **Energy Consumption**
4. **Greenhouse Gas Emissions**
5. **Air Pollution**
6. **Road Traffic**
7. **Household & Commercial Waste Arisings per capita (including recycling activity)**
8. **Land Usage**
9. **Water Quality (fresh and sea)**
10. **Water Consumption**
11. **Biodiversity**
12. **Employment/Unemployment**
13. **Health**
14. **Education Achievement**
15. **Housing**
16. **Social Participation Levels (local community/voluntary action)**
17. **Crime Levels**

3.2.4 During the next year, the Committee will be consulting further with a wide range of parties in order to determine what exactly needs to be measured in each area to provide an overall benchmark of our sustainability as a community. With this comprehensive benchmarking in place it will be possible to compare year on year whether strategic objectives are being achieved.

3.2.5 **Performance Targets**

At present, the Policy and Resource Planning process has generated few specific targets which can be used to monitor the effectiveness of States policies. An exception to this general rule is the target set by the Strategic and Corporate Plan (Strategic Land Use Plan) requiring the Island Development Committee to make provision for an additional 250 new homes each year.

3.2.6 The Committee does not want to move to a system where long lists of goals and targets burden those committees delivering public services and make the system less, rather than more, effective. The Committee is looking to establish simple performance targets which focus on a few key priorities in each policy area. Detailed performance management will remain the responsibility of individual committees.

3.2.7 As explained in the main introduction to this report, the Economic and Statistics Review will, in future, become the main document for monitoring policies against agreed indicators and targets on an annual basis.

### **3.3 GENERAL COMMENTS**

- 3.3.1 Each of the following sections on economic, social and environmental projects and initiatives is divided into two parts. The first part describes relevant projects which are in the course of implementation. The vast majority of schemes in this category will have been agreed by the States either through previous Policy Planning Reports and/or by means of individual policy letters.
- 3.3.2 The second part of each section describes very briefly new projects which are likely to be brought forward for consideration in the coming year. The proposals have mainly been extracted from the Policy Planning submissions supplied to the Advisory and Finance Committee by other States committees. **It is important to make clear that reference to such projects in this Report does not imply that any particular scheme has the endorsement of the Advisory and Finance Committee, nor are these projects being recommended for approval by the States. The purpose of including them in this Report is to give States members and the general public a first indication of schemes which are 'in the pipeline'.**

### **3.4 THE ECONOMY – ACTIVE PROJECTS AND POLICY INITIATIVES**

**This section summarises major projects which have a bearing on the management of the economy. It is not a comprehensive appraisal of all the work being done by committees in the economic sphere but a selective highlighting of certain specific initiatives. The same proviso applies to the social issues and environment sections.**

#### **3.4.1 Commercialisation Update**

In March this year the Advisory and Finance Committee gave the States a detailed progress report on the commercialisation of the Post Office and Electricity services and on action taken to secure a World class Telecoms service. The States subsequently delegated the Advisory and Finance Committee to identify and reach agreement with a Strategic Equity Partner which would take over a controlling interest in Guernsey Telecoms. At the time of drafting this report, various items of primary legislation to facilitate commercialisation and an equity partnership are awaiting Privy Council approval.

- 3.4.2 Following that approval, ordinances and final requests to implement the commercialisation of Post and Electricity can be brought to the States. Whilst this may be achieved in time for the July 2001 States meeting, the Committee has conceded that September is a more realistic target date. This would mean that the commercialised boards could begin trading on the 1<sup>st</sup> October.
- 3.4.3 The target for identifying a preferred Strategic Equity Partner for Guernsey Telecoms is the 1<sup>st</sup> July but given the complexities of finalising detailed agreements and the need for a structured transition to the new arrangements the whole process may not be completed until the second quarter of 2002.
- 3.4.4 In March 2000, the States agreed to the introduction of legislation to enable the creation of States Trading Companies (STCs), for the provision of postal and electrical services. The States also agreed to the corporate governance arrangement for STCs which includes the provision of "States Guidance" to the Advisory and Finance

Committee on fulfilling its role on behalf of the States as owners/shareholders of the STCs.

- 3.4.5 When the Committee brings forward proposals for the creation of STCs it will also bring forward proposals for States Guidance on postal and electricity services for inclusion in the Strategic and Corporate Plan.

**3.4.6 Promotion of the Financial Services Sector**

The Edwards Report identified the requirement to separate the promotional elements of the financial services sector from the core regulatory functions undertaken by the Guernsey Financial Services Commission.

- 3.4.7 Following its publication, the Guernsey Financial Services Commission, representatives of the financial services sector, the Advisory and Finance Committee and the Board of Industry have worked closely together to develop a framework and identify a suitable body to promote the sector.

- 3.4.8 It has been agreed that the current promotional activities undertaken by the Guernsey Financial Services Commission will be transferred to an Agency established for this purpose. The independent Agency consisting of a Chief Executive, will be based at the Board of Industry's offices at Raymond Falla House and will work closely with the Industry, States Departments, and the Guernsey Financial Services Commission in order to ensure that Guernsey's brand values are promoted in a cohesive manner.

- 3.4.9 This collaborative approach will help to ensure that the Island's limited resources in terms of marketing are utilized to maximum benefit.

**3.4.10 e-Business**

During the past year the Board of Industry has been developing its strategy to promote Guernsey as an e-Business centre of excellence. It has established an e-Business Team under the leadership of a director who was appointed in December 2000 to bring specialist expertise and an international perspective to this new area of enterprise. It is the aim of the e-Business initiative to further diversify the Island's economy by supporting and creating alternative sources of revenue for Guernsey.

- 3.4.11 The Board of Industry has obtained States approval to promote an e-Business Park development on States-owned land adjoining the Airport. This development requires an amendment to the Rural Area Plan (Phase 2) which will be the subject of a Planning Inquiry before an independent Inspector during 2001.

**3.4.12 A Five Year Strategy for Tourism**

In December 2000, the Tourist Board published its 5 year Strategy Document which explains how it proposes to foster the success of the tourism industry in Guernsey and the smaller islands. The strategy, which includes an Action Plan for 2001, envisages that the Island will need to provide somewhat less tourist accommodation in future years but emphasises that the overall standard of that accommodation needs to rise in line with visitors' expectations.

- 3.4.13 The Tourist Board's message emphasises that Guernsey is competing in an international tourist market "As our pace of life increases, so do our expectations as tourists. Our travel habits differ from those of just a few years ago in our quest for more memorable and stimulating experiences. We demand more, both in terms of

quantity and quality, taking more frequent holidays of shorter duration. Like all consumers, we now expect a better product with better value for money”.

- 3.4.14 As a blueprint for Tourism in the Bailiwick the Strategy Document sets out a very broad agenda of action. The key aims are to enhance the attractiveness of the islands as a tourist destination; to improve the quality of accommodation and encourage more, if shorter, visits throughout the year; to establish an integrated ‘branding’ strategy and to support the maintenance and improvement of air and sea links. All aspects of the strategy emphasise how closely the success of tourism is intermeshed with the economic success and quality of life of the Bailiwick as a whole.
- 3.4.15 The Tourist Board has not presented its five year strategy to the States for endorsement preferring to make progress on an incremental basis. Certain aspects of the Strategy will, however, require States approval before they can progress and where large scale expenditure is involved, such proposals will, of course, be in competition for resources with projects in other sectors.
- 3.4.16 The Advisory and Finance Committee acknowledges the importance of tourism to the Island, and the need to continue to support the tourist industry in Guernsey. The Committee is aware however that there are many ways in which this can be done, and it believes that the time is now right to commission an independent review into how the Island can obtain best value from the support provided.
- 3.4.17 The Committee is therefore in discussion with the States Tourist Board with a view to commissioning such an independent review.

**3.4.18 External Transport – Air and Sea links**

The vital importance of external transport to the economic and social wellbeing of Guernsey and the smaller islands cannot be overemphasised. In terms of air transport in particular, however, the ability of the States to influence, let alone control, the decisions of airlines, ferry companies, airport authorities and other parties is often very limited. The loss of the Heathrow service and the subsequent withdrawal of all KLM UK services are examples of this vulnerability.

- 3.4.19 Acknowledging the difficulty of managing this situation, the Advisory and Finance Committee is working at the highest level with the authorities in Jersey to promote a combined approach wherever possible. In addition the Committee agrees with the Transport Board that it should have a more substantial and independent rôle in advising the States on matters relating to the provision of both air and sea services to and from Guernsey. This will include generating policies for States approval which secure strategic and corporate objectives which may have significant funding implications in the future.
- 3.4.20 As part of this approach, the Transport Board will continue with work to protect slots at London airports, including liaison with other areas of the British Isles whose links to London hub airports may be at risk. The Board will also continue the established policy in respect of Air Transport Licensing with the aim of bringing about competition between different airlines serving different airports.
- 3.4.21 The States of Alderney have commented that they would wish to see a Bailiwick Transport Policy which secures the economic and social wellbeing of Alderney residents and businesses.
- 3.4.22 The future of Guernsey Airport has been the subject of considerable public debate during the past year. The replacement of the terminal building was approved, in

principle, by the States in November 2000 and detailed work on the planning of the new building is continuing.

### 3.5 THE ECONOMY – PROJECTS AND POLICY INITIATIVES LIKELY TO COME FORWARD IN 2001/2002

The following projects are likely to come forward from the Board of Industry during the next year.

- **The development of a ‘branding’ profile for the Bailiwick** (allowing for the integration of the promotion of Business, the Finance Industry and Tourism). The intention is to present a consistent and effective marketing message about Guernsey as a place to visit and as a business location.
- An assessment of the **economic value of the Non-Financial Services sector**.
- Research into **competition policy** and price levels for gas, fuel and the building trade.
- The provision of a framework to develop and regulate **intellectual property** as a potential revenue stream for the Bailiwick.
- The development of a framework for the appropriate and complementary development of **retail facilities** in urban and rural areas. This research into the Island’s retail industry was triggered by the issue of garden centres and rural retailing. It links with work being done by the IDC on the review of the Island’s Development Plans.

In addition to these initiatives, the opportunity to commercialise further areas of States activity will remain under active review. In this respect, the potential commercialisation of the harbours and airport has been the subject of preliminary discussion.

### 3.6 SOCIAL ISSUES – ACTIVE PROJECTS AND POLICY INITIATIVES

3.6.1 States committees have undertaken a great deal of work during the past year addressing issues fundamental to the social wellbeing of the Island. In Guernsey and throughout the developed world, a large proportion of public expenditure is directed to the provision of housing, education and health services. This is also the area in which competition for public resources is most acute and where choices are, therefore, most politically sensitive.

#### Housing

##### Housing Needs Survey

3.6.2 The Housing Authority brought an interim report on Guernsey’s housing situation to the States in September 2000 in response to intense public and political concern about the availability of affordable housing. (Billet d’Etat XX, 2000.)

- 3.6.3 The report outlined the intended framework for a comprehensive Housing Strategy to be presented to the States in 2001 following the completion of the Island's first Housing Needs Survey.
- 3.6.4 The Housing Needs Survey has since been successfully completed with a very high response rate (over 45% of the 22,000 questionnaires were returned). When fully analysed, the results will enable the Housing Authority to make an accurate assessment of the number, size and type of additional homes which are required including affordable homes for those with modest incomes.

#### **Housing Associations**

- 3.6.5 In February 2001, the States unanimously agreed the principle of establishing one or more housing associations in Guernsey (Billet d'Etat II, 2001). In conjunction with its advisors, the Winchester Housing Group, the Authority is making progress to establish a Guernsey housing association as a matter of urgency. The States have also sanctioned investigations into **partial-ownership** schemes for home buyers who cannot afford to purchase the full 100% equity to obtain property.

#### **Sheltered Housing**

- 3.6.6 Following interdepartmental discussions with the Island Development Committee, Board of Health and the Social Security Authority, the Housing Authority presented a report to the States in April 2001 about ways of meeting the rising demand for a range of sheltered housing accommodation in Guernsey.
- 3.6.7 The report particularly highlighted the sheltered housing requirements of those unable to pay for such accommodation at market rates. As part of the report, the Housing Authority explained its proposals to identify a developer (either a specialist housing association or an experienced company) to develop the former Girls' Grammar school at Rosaire Avenue predominantly for 'affordable' sheltered housing including 'extra care' accommodation. The report which was approved by the States explained that, as a matter of principle, it would be necessary to provide a substantial public subsidy to bring about such development.
- 3.6.8 The Island Development Committee also obtained States approval during 2001 to create a new Use Class for Sheltered Housing. The new Use Class, which is now in place, will enable private sector schemes for sheltered accommodation to receive appropriate planning consideration.

#### **Housing Quality**

- 3.6.9 The Housing Authority has undertaken a comprehensive States housing condition survey in order to prepare a long term strategic plan for its own stock. The forthcoming **Housing Strategy** will also make reference to the improvement of substandard housing (especially rental accommodation) in the private sector where some of the worst housing conditions are known to exist.
- 3.6.10 A number of housing schemes on States-owned sites have progressed during 2000/2001 in relation to direct renovation/conversion projects undertaken by the Housing Authority itself and the private sector development of new housing on States land (eg the Amherst Hospital site and land at Bulwer Avenue within Housing Target Area 9). Where private development is involved, the Housing Authority has applied conditions to the sale of land to ensure that the houses or flats are sold at prices accessible to those of modest means.

**Education**

- 3.6.11 The Education Council carried out extensive research and consulted widely over an eighteen month period to develop comprehensive proposals on "The Future Organisation of Secondary and Tertiary Education in the Bailiwick of Guernsey". The results of its very considerable work in this matter were considered by the States during April and May 2001.
- 3.6.12 Following the States debate, selection at age eleven is set to continue, and the Council was instructed to retain the Grammar School as an 11-18 school, incorporating a Sixth Form Centre. The Council was further instructed to report back to the States with proposals to develop three new High Schools and to develop an improved College of Further Education; such proposals to include outline costs for the complete developments.
- 3.6.13 The Council will also be pursuing the States decision in principle that Blanchelande Girls' College receives a grant and subsidy funding from the States to a similar level as that to be given to The Ladies' College and Elizabeth College.
- 3.6.14 As part of the same review the States agreed to raise the school leaving age to sixteen by the beginning of the academic year 2008/2009, or sooner if resources and curriculum arrangements permit.
- 3.6.15 Earlier in 2001 the Council finalised plans for a revised system of grants for students in Higher Education, and at the time of drafting, its proposals are due for consideration by the States in May 2001.

**Health**

- 3.6.16 In July 1999, the Board of Health's site development plan was presented to the States. This proposed transferring the mental health services, the assessment and rehabilitation services for older people and the base for some community services to the Princess Elizabeth Hospital site. It included various other capital projects within the Princess Elizabeth Hospital and in other of the Board's premises, including community homes and the Mignot Memorial Hospital in Alderney. Work is ongoing to implement this plan, which aims to provide appropriate accommodation in the right location for all the Board's services.
- 3.6.17 Also in 1999, the Board of Health commissioned a report by the Health Advisory Service 2000 on its mental health services and services for older people. This recommended a more community oriented focus to the services, which fits in well with the proposals in the Board's site development plan and is now being pursued.
- 3.6.18 The Board worked closely with the Social Security Authority, the Housing Authority and the Advisory and Finance Committee on the introduction of the long term care insurance scheme and the consultation document which was issued included the Board's own strategy for services for older people. The proposals which were approved by the States on the long term care insurance scheme included the Board increasing its community services, specifically targeting those areas which would reduce the need for older people or people with disabilities to enter long term care. The services concerned include acute care at home for older people, a day centre for people with dementia, increased home food services for older people, increased community services for people with dementia, chiropody, laundry services, transport, maintenance, night sitting services and intensive community nursing services.

- 3.6.19 The Board of Health has recently agreed a strategy for cancer services which includes 29 recommendations for further development in health promotion, investigation, treatment and palliative care.

### **Social Services**

#### **Requête on Low Income Earners and Households**

- 3.6.20 In March 1998, the States accepted a Requête regarding low-income earners and households (Billet d'Etat VI, 1998). The Requête concluded that:

“... extra help should be given to low income earners using a broad approach including the use of Social Security.”

- 3.6.21 The Advisory and Finance Committee asked the Social Policy Working Group to prepare a report on the issues involved and to suggest how those issues may be best addressed. The Working Group's report (Billet d'Etat XII, 2000) concluded that there was insufficient data on relative poverty in Guernsey, particularly on levels of disposable income, to give definitive answers on the best method(s) to address the concerns expressed in the Requête. However, it identified that a significant number of options which may assist low-income earners and households are currently available. The report concluded that, based on the limited data currently available, it would be unlikely that any one option could deal with all the problems encountered by low-income households and that a package of interrelated measures may be required.

- 3.6.22 Following consideration of the Social Policy Working Group's report the Advisory and Finance Committee authorised for a survey of relative poverty to be undertaken. The outputs sought from the survey were:

- An assessment of the numbers of households in Guernsey that may be considered to be in “relative poverty” judged against various relevant benchmarks, both local and from other jurisdictions.
- An assessment of how “relative poverty” may be addressed in the Island's particular circumstances and drawing on the experiences of other jurisdictions.

- 3.6.23 The Committee sought expressions of interest in carrying out the Survey and a contract was subsequently awarded to The Townsend Centre for International Poverty Research which is based at Bristol University.

- 3.6.24 The Townsend Centre method of research measures relative poverty using the consensual method which provides that persons are deemed to be in poverty when their standards of living fall below the minimum deemed necessary by current public opinion.

- 3.6.25 Stage 1 of the Survey was carried out during November 2000 and involved issuing questionnaires to 1200 randomly selected households of which 850 were returned. Guernsey residents were asked what they considered to be the necessities of life, including access to services, that everybody should be able to afford and nobody should have to do without. The Townsend Centre has analysed the data collected to establish a ‘benchmark’ against which the data collected during the second stage will be measured.

- 3.6.26 The objective of Stage 2 is to identify the incidence and causes of absolute and overall poverty using the definitions that correspond with the views of the population as

established during Stage 1. This stage has been carried out during March and April 2001 and has involved face to face interviews with 500 randomly selected householders.

3.6.27 The data collected during Stage 2 is currently being analysed and the Committee anticipates that the final report will be received towards the end of the summer 2001.

3.6.28 The Committees represented by the Working Group also agreed, in tandem with the survey of relative poverty, to undertake preliminary investigations into the feasibility, suitability and financial implications of the following measures (Billet d'Etat XII, 2000) that may individually or collectively alleviate relative poverty experienced by low income households:

- Review the existing Supplementary Benefit and Public Assistance rates.
- Review the ways of alleviating the burden of high housing costs, including consideration of:
  - The introduction of a housing allowance.
  - The introduction of a housing benefit.
  - The introduction of tax relief on private rental costs.
  - The availability of, and access to, States housing.
- Investigate the possibility of providing more free or subsidised child care places; and/or the introduction of child care allowances.
- Investigate setting up more family centres.
- Investigate extending the scope of the Medical Expenses Assistance Scheme.
- Investigate a "re-balancing" of the Income Tax system to reduce the burden on the lower paid.

3.6.29 Following the States decision of 31 May 2000 to accept an amendment from Deputy Roffey, an investigation of the rebalancing of the tax system will consider specifically the re-introduction of additional personal allowances for those with modest incomes.

3.6.30 Over the past year work on the issues listed above has been progressing in tandem with the relative poverty survey and has involved considerable staff resources. The Advisory and Finance Committee anticipated that by progressing these two areas for further investigation in tandem it would be able to bring forward proposals for a package of measures that may be identified as necessary and appropriate to assist low income earners and households. It has become clear over the last year that some items listed above can only be fully addressed after the results of the survey of relative poverty are known, however, work has been continuing in the interim pending the availability of the survey results.

#### **Long Term Care Insurance Scheme**

3.6.31 The States decided in November 1999 that the preferred approach to funding long-term care should be through an insurance-based scheme. The Social Security Authority took to the States detailed proposals for an insurance-based scheme which were approved 1 March 2001. The Authority expects to produce a Projet de Loi before the end of 2001.

- 3.6.32 During the States debate in March 2001. Douzenier Courtney and Deputy Webber both raised amendments which were subsequently withdrawn in the light of the President of the Authority undertaking to report back on their substance no later than September 2001. The amendments required the Authority to investigate adjusting the upper and lower earnings limits and the percentage rate of the additional contribution to be collected to fund the new scheme. The amendments sought to ease the financial burden of the new scheme on low earners. At the time of preparing this report the Social Security Authority's response to the withdrawn amendments was awaiting consideration by the States at its June 2001 meeting.

#### **Children's Services**

- 3.6.33 The Children Board estimates that there are currently about 400 children with high level needs within the Bailiwick and potentially 4,000 vulnerable children if the Bailiwick mirrors UK figures (based on UK Department of Health statistics – June 2000).
- 3.6.34 The Board is working to ensure that Children's services are planned on an integrated basis with all the relevant service providers working together to ensure that vulnerable individuals do not fall through the net.
- 3.6.35 As poverty is recognised to be the most important force linking childhood development with subsequent social and economic outcomes, results of the survey on relative poverty outlined above will be of great help in strategic planning for children in need.

#### **Leisure and Recreation**

- 3.6.36 Foremost amongst this year's proposals for Recreation services has been the approval of proposals for a major renovation and extension of facilities at the Beau Sejour Centre at an estimated cost of £9 million.
- 3.6.37 The Recreation Committee is also in discussion with the Education Council regarding a number of possible joint ventures to use school facilities for wider community benefit. The provision of a competition style swimming pool to service the needs of local clubs is a particular objective.
- 3.6.38 The Committee is also promoting the further development of sports facilities at the Osmond Priaux Playing Fields, Footes Lane through partnership with local clubs and the private sector with the vision that the site has the potential to provide an excellent venue for the 2003 Island Games.

#### **Update on the Bailiwick Drugs Strategy**

- 3.6.39 Work is taking place on initiatives to reduce the supply of and demand for drugs in the Bailiwick, reduce the incidence of drug related crime and to develop partnerships. The Chief Officers' Drug Strategy Group is also currently examining a range of initiatives involving integrated assessment and treatment programmes and broadening the ability of the courts to compel drug users to undergo treatment as part of the sentence. A Bailiwick database is also under consideration.

### 3.7 SOCIAL ISSUES – PROJECTS AND POLICY INITIATIVES LIKELY TO COME FORWARD IN 2001/2002

#### Housing

- The presentation of a comprehensive Housing Strategy to the States addressing those issues identified in the preliminary report in Billet d'Etat XX, 2000.
- The presentation of detailed proposals to establish a housing association in Guernsey.
- The presentation of proposals to upgrade and renovate the States housing stock.

#### Education

- The Council has highlighted the acute difficulties with recruiting and retaining sufficient teaching staff, and intends to submit policy proposals aimed at alleviating these difficulties later in 2001.
- It is also working on a comprehensive reorganisation of Special Needs Education, and intends to report to the States on this matter later in the year.

#### Health

- The contracts with the Medical Specialist Group, the Ophthalmologists and the Guernsey Physiotherapy Group, which are funded by the specialist health insurance scheme, expire at the end of 2002. Staff of the Board of Health and the Social Security Authority are, therefore, having discussions with the other parties about the services which may be required from 2003 onwards.
- The Board of Health is also reviewing the provision of off-island healthcare in consultation with Children Board and the Education Council regarding specific placements for individual children in the UK and also the issue of where, in the UK, Guernsey residents should receive specialist medical services such as cardiology, cardiac surgery and cancer treatments.

#### Social Security

- **The Social Security Authority began the review of the Social Insurance Law and its subsidiary legislation in 1999 in order to identify areas of gender inequality.** Due to other priorities, principally the long-term care insurance scheme and technological migration, work on this project was suspended during 2000. However, the impending introduction of the Human Rights Law to domestic legislation gives added impetus to the task and the Authority will move this work forward during 2001. It is estimated that consequent changes to the Social Insurance Law should be effective by the end of 2002.

#### Children's Services

- **Framework of assessment of Need** – This inter-agency framework to assess a child's needs and agree the most appropriate services to meet those needs is

to be introduced during 2001. This will improve the early identification of children with the highest levels of need and ensure that services are provided to prevent more serious problems developing as they grow older, so reducing the risk of social exclusion.

- **Family Centre Development** – These are community projects aimed at providing accessible services to vulnerable families, to support them in successfully parenting their children. They are being developed in partnership with the Housing Authority and are based in Housing Authority properties on housing estates. The Family Centres are able to identify vulnerable children and ensure that they receive the appropriate services to prevent more serious problems developing.
- **Housing Project** – This is being developed in partnership with NCH (National Children's Homes – a UK voluntary agency) and Guernsey Youth Concern and is aimed at meeting the needs of vulnerable young people aged 16-21, to enable them to live successfully in the community. The Children Board, in partnership with the Housing Authority, is to make recommendations to the States of Guernsey proposing measures for a continuum of service provision for vulnerable young people. These are young people who are without permanent accommodation and who need support with life skills if they are to live independently within the community. The policy of providing services that meet both accommodation and social needs is aimed at addressing the needs of those young people who would otherwise risk social exclusion. Initiatives include provision of training flats and a hostel for young people.

### **3.8 THE ENVIRONMENT – ACTIVE PROJECTS AND POLICY INITIATIVES**

#### **Review of the Urban Area Plan (UAP)**

- 3.8.1 In September and October 2000, the Island Development Committee held public exhibitions in St Peter Port and St Sampson's about the preparation of a comprehensive review of the UAP. The current Plan was adopted in 1995. At the time of drafting it is anticipated that the new UAP will be published during summer 2001 and will then be subject to a Planning Inquiry before an independent Inspector.
- 3.8.2 The combined review of both phases of the Rural Area Plan will then proceed as agreed by the States.
- 3.8.3 Meanwhile major projects such as the redevelopment of the Gategny Esplanade, Bouet (Admiral Park) and Leale's Yard will continue to progress.

#### **Town Centre Management**

- 3.8.4 The Guernsey Town Centre Partnership (TCP) was formally established in October 2000 as a Company Limited by Guarantee, registered in Guernsey. It is a member of the Association of Guernsey Charities.
- 3.8.5 The TCP is an apolitical and independent organisation which seeks to act as a facilitator for the overall enhancement of the Town Centre of St Peter Port. By working with States committees, commercial companies and a wide range of groups

and individuals the TCP hopes to harness public and private investment to bring about a revitalisation of the Town.

- 3.8.6 The potential contribution of the TCP was acknowledged in last year's Strategic and Corporate Plan and has been taken into account by the IDC in its work on the Urban Area Plan. The Advisory and Finance Committee welcomes this initiative as a positive example of partnership between the private and public sectors.

### **Public Transport**

- 3.8.7 On the 14<sup>th</sup> March, 2001, following consideration of a report prepared by the Traffic Committee which proposed a new public transport strategy for the Island, the States resolved to accept the Committee's recommendations subject to two amendments.

A new contract is currently being negotiated between the Traffic Committee and Island Coachways Limited which will lead to:

- The introduction of a flat 50 pence fare with complementary system tickets offering further fare incentives;
- A level of public subsidy which, together with income from bus fares, meets the full costs of the scheduled bus services contract and provides a reasonable level of profit for Island Coachways;
- The phased introduction of a fleet of up to 45 new buses at a capital cost of £3,150,000.

The Traffic Committee will, as directed, prepare a further report for the States once the new contract has been in operation for twelve months.

### **Parking in St Peter Port**

- 3.8.8 On 29 October, 1998, following consideration of a report prepared by the Traffic Committee which proposed a new parking strategy for St Peter Port, the States resolved (inter alia):

"To direct the States Traffic Committee and the Island Development Committee to liaise over the identification of possible sites for new and replacement car parks within the Urban Area Plan and to report back with their findings as soon as may be."

- 3.8.9 Since that time, both committees have worked closely together on this project and in consultation with the Board of Administration and Advisory and Finance Committee.

- 3.8.10 The Traffic Committee has already indicated that it will be submitting a policy letter for debate by the States in June including recommendations for the design, construction and funding of additional car parking facilities in the south and west of St Peter Port.

### **Solid Waste Management**

- 3.8.11 In accordance with the solid waste strategy adopted by the States in 1998 (Billet d'Etat, XII), the Solid Waste Working Group led by the Board of Administration has progressed proposals for the construction of a Waste to Energy Plant and associated facilities to handle the majority of the Island's solid waste.

- 3.8.12 An Environmental Impact Assessment by independent planning consultants has identified a preferred site for the new plant at the Longue Hougue Reclamation site in St Sampson's. At the time of drafting, the Island Development Committee is preparing a draft Outline Development Brief for Longue Hougue including the Waste to Energy Plant which will be published during the summer 2001 and subsequently considered at a Planning Inquiry before being referred to the States for a decision.

#### **Agriculture and Countryside Management**

- 3.8.13 In January 2000 the, then, Agricultural and Milk Marketing Board took a major review of policy to the States. At its centre the report made the proposal that the local dairy industry should not be seen as an essential producer of a staple food item for the Island but as an industry that, by its activities, was essential for the maintenance of the particular and traditional pattern of land use in the countryside.
- 3.8.14 The Board proposed that dairy farming should, in the future, be controlled by countryside management agreements and habitat management guidelines. The Board gave further details of the system it proposed in September 2000 and, following States approval, the agreements came into being on 1<sup>st</sup> January 2001. To mark the shift in emphasis of the Board's work from purely supporting the farming industry to having a significant role in the management and protection of the countryside, the States approved that the Board should change its name to the "Agriculture and Countryside Board".
- 3.8.15 The Board has since established a Countryside Advisory Panel (CAP) with representation from the local farming community and local environmental and conservation groups. The early tasks of the Panel have been the approval of outline guidelines for the 2001 contracts and the development of the comprehensive habitat management guidelines that will be needed in the future.
- 3.8.16 The Board, working with the CAP, has reviewed its current legislation for the control of noxious weeds and will, as it develops the countryside management agreement system with farmers in the future, need to be at the forefront of the establishment of further management and conservation legislation for the Island's countryside.

#### **Water Resources**

- 3.8.17 The Water Board commissioned a fundamental study of the Island's underground water resources by the British Geological Survey. This study confirmed that both public and private abstraction draw on the same body of water, and that all water supplies in Guernsey depend upon natural rainfall. Given the uncertainties over the long-term effects of Climate Change on local rainfall the above research has provided further valuable information, and the Board's Water Resources Plan is being revised to incorporate the results of this survey.
- 3.8.18 The Board has also recently revised its Water Resources Plan, Demand Management Plan and Property Development Plan.

### **3.9 THE ENVIRONMENT – PROJECTS AND POLICY INITIATIVES LIKELY TO COME FORWARD IN 2001/2002**

#### **Water Storage and Supply**

- The Board has highlighted the need for the forthcoming review of the Rural Area Plan to take account of the probable need to use Les Vardes Quarry for water storage once stone extraction there ceases (in much the same way as the MW2 policy currently applied to St Andrews Quarry).
- Discussion and resolution of issues relating to the future organisation of water supplies (and waste disposal) is highlighted in the Board's submission as a fundamental requirement for the future organisation of the Board's activities. In this connection the Board also raises the possibility of amalgamating the water related functions of the States Public Thoroughfares Committee with the States Water Board. It states that this could help to service increasing expectations of customers and suppliers. It argues that the rationalisation should also offer potential to make more effective use of the professional and specialist staff.

#### **Biodiversity Action Plans**

- Through its Environmental Policy Working Group, the Committee is working with other States committees and non-government organisations in coordinating the production, and subsequent maintenance, of effective Biodiversity Action Plans as part of its commitment to securing States objectives in regard to the protection of biodiversity within the Island. This should be an important step in helping to protect key habitats and species of fauna and flora in Guernsey.
- When this work is at a more advanced stage the Committee will be in a better position to consider the Island's position in regard to the UN Convention on Biological Diversity.

#### **Climate Change**

- The possible impacts of relatively rapid Climate Change brought about by global warming could be highly significant in Guernsey, where a major proportion of its population lives and/or works very close to sea-level.
- The States, through their participation in the British Irish Council, are taking advantage of work being undertaken by the United Kingdom Climate Impact Programme (UKCIP) that is based in Oxford. This Programme was set up in 1997 with the specific objective "to coordinate and integrate a stakeholder led assessment of the impacts of climate change at regional and national level and to help organisations plan for climate change."
- It is hoped that the Channel Islands can be included in the local level 25 kilometre scenario models being run by UKCIP in order to provide reliable information upon which to build climate change strategic policy in future years.

#### **New Planning Legislation**

- The Island Development Committee has been working on the highly complex issues involved in a complete revision of existing planning legislation. The results of this review are nearing completion and the Committee expects to bring forward a policy letter on the subject later in 2001.

- The new legislation should provide significant improvements in regard to the conservation and enhancement of the Island's natural and semi-natural habitats, and is regarded as a critical tool in enabling the States to meet their environmental policy objectives.

**Designation of a Ramsar Site (Convention on the Protection of Wetlands of International Importance)**

- Following the Island's inclusion in the UK ratification of the above Convention, the Board of Administration is working with the Environmental Policy Working Group to explore the possible designation of a Ramsar site in Guernsey. It is understood that the designation of at least one such site is an expectation placed upon every territory that becomes a signatory to the Convention.

**Third Golf Course**

- The Recreation Committee proposes to approach the States during the coming year with a policy letter on the possible development of a third golf course by the private sector. If the States agree that such an initiative should be supported, this will be reflected in the next review of the Strategic Land Use Plan (Strategic and Corporate Plan). Although this is a recreation issue which is of relevance to social policy, it is included here because of its environmental significance.

## PART 2

### Section 4 FINANCIAL REPORT

#### 4.1 INTRODUCTION

4.1.1 This section of the Report includes, inter alia, a five year projection of the States financial position, together with underlying assumptions and the Committee's concerns. A more detailed summary of the Committee's expectations for 2001 and 2002 is also provided.

4.1.2 The Accounts Billet d'Etat, which is published and is to be debated at the same time as this Report, contains full details of individual committee accounts and includes a report from the States Treasurer summarising and commenting upon the financial outturn for 2000.

4.1.3 The States Treasurer's Report shows:

- The operating surplus for 2000 was £53.2m compared with £47.4m for 1999 and that the balance on the General Revenue Account Reserve at 31 December 2000 was £25.5m, excluding unspent balances available to committees. This is a **shortfall of £3.6m** on that predicted in the 2001 Budget Report (Billet d'Etat XXIV, December 2000).
- Capital expenditure during 2000 was £13.9m compared to £10.4m in 1999. As at 31 December 2000 the balances on the Capital Fund and the Capital Reserve Fund were £22.3m and £76.1m respectively (1999: £9.4m and £60.8m).
- The balance on the Contingency Reserve Fund as at 31 December 2000 was £119.2m which represents an increase of £16.7m in the year. However, this balance represents just 58% of its target of the equivalent of a full year's revenue expenditure.

#### 4.2 GENERAL REVENUE FINANCIAL PROJECTIONS

4.2.1 The table below shows projections for General Revenue for the five years 2001 to 2005. The figures for 2001 and 2002 are those used in the Detailed Financial Proposals section of this Report (Section 5). The figures for 2003 to 2005 are based on the following assumptions:

- **Income tax revenue** – the Income Tax Authority has revised its assessment of the income growth on the basis of the latest available information. The Authority has advised that it now estimates that collections for the period 2003 to 2005 will increase in real terms by 3.0% per annum. In last year's Report an annual growth rate of 4.7% in real terms was assumed.
- Income tax allowances will be maintained in real terms.

- The Committee has commented in the past on the possible need to broaden the tax base. The Fiscal Policy Working Group continues to consider this and related matters but, as reported in the 2001 Budget Report, has not yet submitted a formal report to the Committee. It is therefore assumed here that the real value of other income will be maintained.
- No allowance has been made for income that might be received from the commercialised trading boards, either as income tax, dividends or otherwise. It is considered that any such income that did materialise would not materially affect the overall financial position in the short term at least.
- **Capital and revenue expenditure** are derived from committees' own projections, adjusted for a provision for additional expenditure not included in the projections but which the Committee believes is likely to be incurred.
- The annual increase in the **Guernsey Index of Retail Prices** (headline inflation) as at the end of March 2001 was 3.3% (2000: 3.8%). Underlying inflation (excluding mortgage interest) was 2.9% (2000: 3.1%). The Committee has assumed that annual headline inflation in 2002 will be similar at about 3.0% and underlying inflation at about 2.5%.

#### 4.2.2

**General Revenue Account Reserve** – the balance on the General Revenue Account is maintained at its target level of 5% of annual revenue income. The protection that this Reserve affords against adverse budget variances is an essential feature of the States financial system. Its value has been amply demonstrated in providing a buffer against the re-evaluation of income tax collections and the Committee therefore considers that ensuring that the Reserve is maintained at its target level must be a first call on available resources.

#### General Revenue Finance Projections

(2000 and 2001 at actual values, 2002 to 2005 at estimated 2002 values)

	2000	2001	2002	2003	2004	2005
	£m	£m	£m	£m	£m	£m
	(Actual)					
Income	257.6	265.0	273.0	280.0	287.0	294.0
Expenditure	<u>204.4</u>	<u>226.7</u>	<u>240.2</u>	<u>247.0</u>	<u>247.5</u>	<u>250.0</u>
Operating Surplus	53.2	38.3	32.8	33.0	39.5	44.0
Capital Income/Returns of Unspent Balances	<u>1.8</u>	<u>1.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Available for future Capital Expenditure and Appropriation to Reserves	55.0	39.5	32.8	33.0	39.5	44.0
Appropriations to Contingency Reserve Fund	<u>7.0</u>	<u>6.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Available for Future Capital Expenditure	<u>£48.0m</u>	<u>£33.3m</u>	<u>£32.8m</u>	<u>£33.0m</u>	<u>£39.5m</u>	<u>£44.0m</u>
Capital Expenditure	<u>£13.9m</u>	<u>£45.0m</u>	<u>£75.0m</u>	<u>£75.0m</u>	<u>£50.0m</u>	<u>£50.0m</u>

4.2.3 The above table indicates that projected revenue will not be sufficient to meet all committees' aspirations for revenue spending and provide the substantial sums needed for future capital projects without unprecedented and probably unacceptable increases in indirect taxation.

4.2.4 Furthermore, and a matter of considerable concern, resources will not be available to appropriate to the Contingency Reserve Fund. As set out in the States Treasurer's Report, the Fund as at 31 December 2000 represents just 58% of its target balance of the equivalent of a full year's revenue expenditure. In order to achieve its target by 2005 annual appropriations of approximately £25m would be required. The size of the Fund is, of course, also dependent on the performance of the asset portfolio in which it is invested.

4.2.5 The Committee would emphasise the following:

- In recent years actual General Revenue income has, to a greater or lesser extent, exceeded predictions. However, actual total income for 2000 was £3.1m less than that predicated in the 2001 Budget Report due mainly to a shortfall in income tax receipts.
- Although actual total income in 2000 was still more than in 1999 (8.1% in cash terms or 4.2% in real terms), this represents a significant slowing down in the rate of increase in income growth compared to 1999 when income increased by 9.6% in cash terms or 7.2% in real terms compared to 1998.
- As a consequence of the slowing down in income growth, which is also being experienced in Jersey, the estimates for income for 2002 and future years have been revised downwards by approximately £3m per year.
- The income estimate for 2003 is based partly on current statistical data and may therefore be considered reasonably reliable. However, the estimates for future years are merely projections of the trend, there being no better information yet available on which to base a more reliable calculation. They should therefore be treated with caution.
- No allowance is made for a reduction in income, or a further slowing down of income growth, which may result from actions taken in other jurisdictions and which will, in any event, occur at some stage due to the incidence of the normal economic cycle. In particular, no allowance is made for any fall in revenue resulting from possible changes to the Island's direct taxation arrangements in response to reductions in direct taxation implemented, or announced, by competing jurisdictions, such as the Isle of Man.
- Income in 2001 is expected to increase by less than 3% compared to 2000. However, General Revenue expenditure is expected to increase by nearly 11%. Even allowing for the fact that some of the increases in 2001 are one-offs, this is an unsustainable trend.
- **No allowance for pay settlements being in excess of the rate of inflation has been made**, however, pressures in this area continue to mount.
- No allowance is made for the possible cost of measures that may be recommended following the present investigations into the needs of the lower paid.

- The Committee will continue to monitor closely the financial situation, including income projections and any additional financial expenditure commitments approved by the States. If necessary, and only after ensuring that committees' expenditure is restrained as far as possible, the Committee will bring forward recommendations as part of the 2002 Budget Report, to increase taxation in order to "balance the books" and, if possible, add to the present estimate for future appropriations to reserves. However, at this stage the Committee **is not able to recommend an appropriation to the Contingency Reserve Fund and only a modest transfer of £6.0m to the Capital Reserve.**

4.2.6 Since last year's Report the States have approved a number of proposals from various committees that have ongoing expenditure implications and which cumulatively have added significantly to the Committee's concerns about the sustainability of the States financial position. Furthermore, at the time of writing, the Committee is aware of a number of additional requests from committees to further increase ongoing revenue expenditure.

4.2.7 The estimated costs of the major increases in ongoing annual General Revenue expenditure already approved by the States, at least in principle, since last year's Report are:

	£m
• Dairy Farm Management Contract (including Alderney)	2.1
• Blanchelande College Additional Grant	0.2
• TV Licences for the Elderly	0.3
• Scheduled Bus Services Subsidy	0.8
• Care in the Community (General Revenue cost of Long Term Care Insurance Scheme)	1.1
• Higher Education Grants	0.4
• Overseas Development Aid	0.1

4.2.8 In the circumstances, and as stated in last year's Report, the Committee is convinced that the need for restraint and prudence remains paramount. It is accordingly firmly of the opinion that the restrictive approach it has taken in recommending revenue allocations for 2002 (paragraph 5.3.7 et seq), together with its consistent policy of building up reserves, will remain appropriate for the longer term future.

4.2.9 In summary, when considering its financial recommendations to the States, either as part of Policy and Resource Planning, the annual Budget, or when commenting on individual policy letters, the Committee must have regard to the:

- Slow down in the growth, and uncertainty of, income levels, in particular income tax receipts.
- Increasing rate of growth of ongoing revenue expenditure.

- Need to fund capital projects to maintain and improve the Island's infrastructure.
- Need to build and retain sufficient reserves as a safeguard against future contingencies.
- Ability of individual committees to make internal efficiencies and to prioritise.

4.2.10 Of the above, the most pressing issue is the ever increasing requests from committees for capital funding. As set out above, it is clear that not all of these requests (see Appendix X) can, or indeed should, be met from existing or projected resources. Prioritisation, not least to avoid further overheating of the local economy, will be required (paragraph 2.8.17).

4.2.11 Furthermore, especially for major capital projects with the potential for an associated income stream, such as new car parks or the waste-to-energy facility, external financing by such means as Private Finance Initiatives (PFI) or Public Private Partnerships (PPP) will need to be fully considered. Indeed, these may be the only way of finding funding for these projects in competition with the major capital requirements of health and education (where, because of the absence of an income stream, direct States funding is the most appropriate and lowest cost option).

### 4.3 2001 REVENUE ACCOUNT INCOME AND EXPENDITURE

4.3.1 The Committee has reviewed income and expenditure trends for the first four months of 2001 and has revised its predictions accordingly. The estimates for 2001 as contained within the 2001 Budget Report (Billet d'Etat XXIV, December 2000) are compared below with current predictions.

	<b>2001 Budget Report</b>	<b>Current Prediction</b>
	<b>£m</b>	<b>£m</b>
Income	265.6	265.0
Expenditure	<u>224.9</u>	<u>226.7</u>
Operating Surplus	40.7	38.3
 Add: Unspent Balances returned	 -	 0.3
Capital Income	<u>0.3</u>	<u>0.9</u>
	<u>£41.0m</u>	<u>£39.5m</u>

4.3.2 The Committee's current estimate is that the operating surplus for 2001 will be **£2.4m less** than previously predicted. As a result, it is now predicted that the balance on the General Revenue Account **will fall short of its target balance of £13.7m by £5.4m**. The major contributors to this change, and the Committee's comments thereon, are set out in the following paragraphs:

**Revenue Income - £265.0m**

- 4.3.3 The current prediction of 2001 income is £0.6m less than the Budget estimate, due mainly to a decrease in the anticipated growth in income tax collections which is only partially offset by increases in other areas. It is this decrease that has resulted in the Income Tax Authority reducing its estimates of future income tax growth.

**Revenue Expenditure - £226.7m**

- 4.3.4 The current prediction of 2001 expenditure is £1.8m more than predicted in the 2001 Budget Report, made up as follows:

	<b>£000</b>
<u>Increases</u>	
Approved by the States	410
Approved by the Advisory and Finance Committee	284
Staff Price Variances	860
Formula Led Headings (net)	158
Advisory and Finance Committee – General	150
Advisory and Finance Committee – Strategic and Corporate Measures	1,100
Agriculture and Countryside Board	300
Board of Industry	800
Heritage Committee	<u>100</u>
	4,162
<u>Less</u>	
Adjustment to provision to cover additional expenditure	<u>2,325</u>
	£1,837
	—

- 4.3.5 The States have approved an increase in the Advisory and Finance Committee Strategic and Corporate Measures budget of £200,000 in respect of fees for assisting in the search and selection for a Strategic Equity Partner for Guernsey Telecoms (Billet d'Etat VI, March 2001).
- 4.3.6 In March 2001 (Billet d'Etat III, 2001), the States approved changes to the scheduled bus service support. The estimated additional cost of these changes in 2001 is £200,000 but the exact amount required will not be known until contract negotiations are finalised.
- 4.3.7 Following the debate on the Recreation Committee's proposals for the redevelopment of the Beau Sejour Centre (Billet d'Etat VI, March 2001) the States approved an increase in the Arts Committee's budget of £10,000 to cover the cost of consultants to prepare a report on the adequacy of the Centre's Theatre.
- 4.3.8 The Advisory and Finance Committee, using its delegated authority under the States Financial Procedures, has approved the following increases in revenue budgets in 2001:

<b>Items Previously Reported to the States</b>	<b>£</b>
States of Alderney – Dairy Farm Management Contract	65,000
Income Tax Authority – Business Recovery Plan	28,900
Overseas Aid Committee – Emergency Aid – Gujarat, India	100,000
<b>Items Reported in Appendix IX</b>	
Agriculture and Countryside Board	45,500
Income Tax Authority	44,500

4.3.9 Staff price variances are the result of pay settlements differing from the amounts allowed for when setting budgets. Under the States Financial Procedures, such variances are directly funded from or credited to the General Revenue Account.

4.3.10 The main item in the net increase of £158,205 in the estimate of formula led net expenditure is a rise in Supplementary Benefits of £156,300 (Appendix IX).

4.3.11 The requests for increases in budget in respect of the Advisory and Finance Committee, Agriculture and Countryside Board, Board of Industry and Heritage Committee are set out in paragraphs 5.2.1 et seq.

4.3.12 In the 2001 Budget Report a sum of £4.0m was set aside within the General Revenue Account as a provision against specific short term contingencies and was included in the estimate of expenditure for 2001. The main items included in the provision were:

- Possible public funding of litigation.
- Possible approval by the States of additional manpower resources for the Education Council needed as a result of demographic changes and other factors.
- The Education Council's property maintenance programme.

4.3.13 Having reconsidered the likely costs of the above, the Committee now considers the provision required for these areas can be reduced by £2.3m, mainly as a result of a reduced estimate for possible public funding of litigation and Human Rights training. However, as set out in paragraph 5.3.4 the Committee has set aside further sums in this reserve for other areas where expenditure is likely to be incurred in 2002.

#### **Committee Unspent Balances Returned - £0.3m**

4.3.14 The following returns of unspent balances have been made under budget headings where the States have in recent years approved specific increases:

- Advisory and Finance Committee in respect of National and International Relations and the Bailiwick Drug Strategy - £168,756.
- Children Board in respect of Off-Island Placements - £105,930.

**Capital Income - £0.9m**

4.3.15 The increase of £0.6m in the estimate of Capital Income is mainly due to a timing difference (i.e. the delay in the sale of the housing site at Amherst) and extra sundry property sales.

**4.4 2002 REVENUE ACCOUNT INCOME**

4.4.1 States income for 2002 is expected to be £273.0m and is made up as follows:

	<b>£m</b>
Direct Taxation	220.2
Indirect tax, duties etc., Crown Revenues	38.1
Fees, Charges, Rents, Interest and others	14.7
	£273.0m

4.4.2 The above figures take no account of any possible future indirect tax increases, with the exception that allowance has been made for additional impôts on tobacco. This is in accordance with the 1996 States decision that, as part of the annual Budget for 1997 and for a minimum of five years thereafter real increases in impôts on tobacco be recommended by the Committee.

4.4.3 In 1999 the States accepted the Income Tax Authority's proposals for reform of the tax system (Billet d'Etat XV, July 1999). As a result the Committee was required to recommend increases in Personal Tax Allowances for 2002 as part of the 2001 Budget Report.

4.4.4 The States accepted the Committee's proposals of an increase of about 4.5% at a cost of approximately £2.5m and the above estimate for income tax collections in 2002 takes account of this.

**4.5 NOTIFICATION OF FUTURE CASH LIMITS**

4.5.1 In the 1999 Report, the Committee stated that it "can see merit in providing States committees with an indication of the cash limits that they could expect to receive on a longer term basis ... It is anticipated that such an approach would allow committees to plan ahead with more certainty. However, any such process will need to allow for sufficient flexibility as a result of any significant changes to overall future income and expenditure projections and any future cash limits would be indicative only. The Committee will therefore be reviewing this approach in the coming months to determine whether it is indeed practical".

4.5.2 Accordingly, last year when notifying committees of their proposed cash limits for 2001, the Committee included an indication of the likely basis of their 2002 and 2003 allocations.

4.5.3 This process has proved to be of assistance both to the Committee, when setting the cash limits for 2002, and to States committees as it provided them with a greater degree of certainty when producing their own financial plans. A similar approach will therefore be taken for this and future years.

## **4.6 REVIEW OF STATES FINANCIAL PROCEDURES**

4.6.1 In 1991 (Billet d'Etat VIII, April 1991) the States approved the Committee's recommendations for a major revision of the States Financial Procedures. The Procedures introduced the concepts of Committee Revenue Cash Limits; Formula and Non-Formula Led Expenditure; the retention and use of unspent balances and the retention of proceeds from income generation.

4.6.2 The Procedures (which have been refined in various subsequent Budget and Policy and Resource Planning Reports) have undoubtedly increased the ability of individual committees to be flexible in their financial management, whilst at the same time increasing the level of responsibility and accountability of committees to the States and the taxpayer.

4.6.3 Subsequently, in 1999 (Billet d'Etat XI, May 1999) the States approved further recommendations from the Committee to clarify existing practice and provide the States with an appropriate regulatory framework to enable committees to manage their financial affairs in a manner combining flexibility with best practice.

4.6.4 As stated in its policy letter in 1999, the Committee is aware that in some jurisdictions financial procedures are enshrined in legislation. However, the Committee did not consider it appropriate or desirable to implement legislation at that time. Nevertheless the Committee undertook to keep the situation under review in particular as regards any issues which may arise from the Review of the Machinery of Government and the commercialisation of Trading Boards.

4.6.5 In the coming months the Committee will be reviewing the existing procedures to identify any areas that may require revision to ensure that they continue to achieve their aim of enabling committees to be flexible in their financial affairs while remaining responsible and accountable to the States and the taxpayer. The States Financial Procedures must, of course, ensure that committees obtain best value and that States expenditure is properly controlled.

4.6.6 The Procedures must also operate in an administratively efficient manner. In this regard, the Committee will review, and make recommendations on, the delegation of authority from the States to the Committee and subsequent reporting arrangements on the use of such delegated authority. The review will include matters such as: final contracts with suppliers following States in principle approval for projects; budget increases; capital votes and overspending on individual capital projects.

## **4.7 OTHER FINANCIAL MATTERS: STATES TRADING UNDERTAKINGS**

4.7.1 In November 2000 (Billet d'Etat XXIII, 2000) the States agreed that funding for the Beau Sejour Centre should continue to come from the General Revenue Account. In April 2001 (Billet d'Etat VI, 2001) the States gave in principle approval for the redevelopment of the Centre at an estimated cost of £9m, funding for which will need to come from the Capital Reserve.

4.7.2 It is understood that planned capital expenditure of the other States trading undertakings can be funded without recourse to borrowing outside existing sanctions.

### **Trading Undertakings – Ports**

4.7.3 The latest annual accounts of the Ports Holding Account, which are included in the Accounts Billet d'Etat which is published at the same time as this Report, show an accumulated surplus on the Account at 31 December 2000 of £27.8m.

4.7.4 This surplus, together with future surpluses to be generated up to the end of 2004, will be available to fund capital expenditure for the period ending 31 December 2004. The planned capital expenditure of the Ports for that period is £34.2m (Appendix XI).

4.7.5 This must be regarded as a satisfactory financial position especially as the listed expenditure includes the major sum of £16.9m for redevelopment of the Airport Terminal Building. However, it should be noted that the Ports Holding Account may be called upon to fund a major redevelopment or reorganisation of port facilities in the medium to longer term, no substantial provision for which is made in the list of capital projects.

## **4.8 HOUSING DEVELOPMENT AND LOAN FUND**

4.8.1 As reported in last year's Report and the 2001 Budget Report, as a result of an increase in the maximum amount available to individual borrowers, the number and value of loans advanced has increased substantially in the last two years. For example, the value of loans advanced in 1999 and 2000 was £7.1m and £16.4m respectively. The value of loans advanced so far in 2001 is already in excess of £9m (i.e. a total of approximately £32.5m advanced since the start of 1999).

4.8.2 As a result and as predicted in the 2001 Budget Report, the Fund has had to borrow from General Revenue. As at 31 December 2000 the Fund had borrowed £0.4m from General Revenue and by 30 April 2001 the borrowing had increased to £7.2m. It is anticipated that by the end of June 2001 borrowing requirements will be approximately £12.5m.

4.8.3 When the Fund was established (Billet d'Etat XIII, July 1990), it was envisaged that funding would be sourced from the private sector and the Committee undertook to report to the States if the Fund was likely to have any borrowing requirements.

4.8.4 Therefore, the Committee advised the States in the 2001 Budget Report that it was investigating options for borrowing in anticipation of having funding arrangements in place by the summer of 2001.

- 4.8.5 These investigations revealed that for the initial sum involved, around £25m, borrowing by public subscription or other bond issue would not be cost effective and the Committee therefore approached appropriate local banks for funding. Several tenders have been received and, at the time of writing, negotiations were underway to secure funding on the most appropriate terms.
- 4.8.6 This initial borrowing is expected to be sufficient to fund new loans issued until the end of 2002. The Committee will continue to work closely with the Authority in monitoring the resources required by the Fund and the impact that the Housing Authority's policy is having on, amongst other things, home ownership, local house prices and the construction of new properties.

## Section 5 DETAILED FINANCIAL PROPOSALS

### 5.1 INTRODUCTION

- 5.1.1 This section of the Report deals mainly with the Committee's detailed financial proposals for the allocation of resources for revenue expenditure in 2002 and for additional capital expenditure in the rolling period to 31 December 2004. It also covers requests for additional revenue resources for various committees in 2001 and a small number of recommendations regarding capital overspends.

### 5.2 2001 REVENUE ACCOUNT – APPROVAL OF ADDITIONAL FINANCIAL RESOURCES

- 5.2.1 In last year's Report the Committee stated that funding may be required to cover the cost of training in respect of Human Rights legislation and a sum was set aside within the General Revenue Account for this purpose. It is now clear that resources are needed for training and other matters in this area and the Committee therefore **recommends the States to approve an increase of £150,000 in its General revenue expenditure budget for 2001.**
- 5.2.2 As mentioned above (paragraph 4.3.5) the States approved the Committee's proposals concerning a Strategic Equity Partner for Guernsey Telecoms. The Committee was directed to obtain specialist assistance including corporate finance and related services. Following a tendering process, appropriately experienced advisers have been appointed to provide specialist support (see Section 3). The Committee therefore **recommends the States to approve an increase of £1,100,000 in its Strategic and Corporate Measures revenue expenditure budget for 2001.**
- 5.2.3 The Agriculture and Countryside Board has incurred additional costs following the outbreak of Foot and Mouth Disease in the United Kingdom. The Committee strongly supports the precautions taken to prevent the disease spreading to the Island and therefore **recommends the States approve an increase of £300,000 in the revenue expenditure budget of the Agriculture and Countryside Board for 2001.**
- 5.2.4 The Board of Industry has requested additional funding for e-Business and associated promotional activities for both 2001 and 2002 (see paragraph 5.3.28). In view of the importance of this area to the continuing economic prosperity of the Island, the Committee supports the request and recommends **the States to approve an increase of £800,000 in the revenue expenditure budget of the Board of Industry for 2001.**
- 5.2.5 In last year's Report the Committee advised of a request from the Heritage Committee for an increase in its revenue budget to fund a rolling programme of condition surveys and specialist maintenance of historic sites. However, at that time, sufficient information was not available to the Advisory and Finance Committee to enable it to make a recommendation to the States in this respect and a provision was therefore made within the General Revenue Account.

- 5.2.6 The Heritage Committee has now submitted a comprehensive maintenance plan that has been examined by the Advisory and Finance Committee. The Committee supports the proposals and therefore **recommends the States to approve an increase of £100,000 in the revenue expenditure budget of the Heritage Committee for 2001.**

### **5.3 2002 REVENUE ACCOUNT – ALLOCATION OF FINANCIAL RESOURCES**

- 5.3.1 Under the States Financial Procedures the Committee is required to present recommendations at the time of the Policy and Resource Planning Report for an overall revenue expenditure limit for all States General Revenue committees, together with recommendations as to how that sum should be allocated between individual committees.

- 5.3.2 In setting the proposed overall limit, the Committee has considered carefully the aggregate implications of committees' policy and resource plans for the period to the end of 2005. It has also taken into account a number of other factors, including the state of the economy and inflationary trends, estimates of States income, the resources required for capital spending and the need to maintain or increase levels of reserves.

#### **Overall General Revenue Expenditure Limit**

- 5.3.3 As discussed above (paragraph 4.3.2), it is anticipated that the balance on the General Revenue Account Reserve at the end of 2001 will fall significantly short of its target. In view of the importance of this Reserve the Committee considers that restoring the Reserve in 2002 is of the highest priority and a sum of £5.4m is required to achieve this.

- 5.3.4 In recent years, a further amount has been set aside within the General Revenue Account to provide for specific short term contingencies. The number and financial implications of such contingencies has increased and the Committee considers that a provision of £5.5m would be appropriate, to cover such items as:

- The possible approval by the States of additional manpower resources for the Education Council needed as a result of demographic change and other factors.
- The Education Council's property maintenance programme.
- Blanchelande College – possible additional grant funding.
- Possible increase in the Transport Board's budget to help safeguard travel links to the Island.
- The possible public funding of litigation (albeit at a lower level than originally envisaged (paragraph 4.3.13)).
- Criminal injuries compensation scheme.
- Overseas Emergency Aid.

- St. John Ambulance Service - possible additional grant.
- Home Affairs – replacement radio system maintenance costs.
- Initial costs of regulating the Island’s post, electricity and telecommunication services.

5.3.5 It is emphasised that access to the funds set aside is subject to the approval of the States or, for smaller amounts, the Advisory and Finance Committee acting under its delegated authority under the States Financial Procedures.

5.3.6 The Committee is recommending that the overall allocation of resources for 2002 should be as follows:

	£m	£m
Estimated total Revenue Income in 2002		273.0
Less: Increase in General Revenue Reserve to achieve target balance	5.4	
Provision for additional expenditure	<u>5.5</u>	<u>10.9</u>
Available for Appropriation and Revenue Expenditure		£262.1m
		_____
Overall General Revenue Expenditure Limit		
Non-Formula Led Expenditure	184.8	
Formula Led Expenditure	<u>49.9</u>	234.7
Appropriations		
Capital Fund - General	21.4	
- Reserve	6.0	
Contingency Fund	<u>NIL</u>	27.4
		_____
		£262.1m
		_____

**Recommended Committee Cash Limits for 2002**

5.3.7 The recommended individual cash limits for 2002 have been arrived at as follows:

- Values have again been frozen at the level of the previous year in cash terms wherever possible.
- Where such a freeze was not wholly or partially possible, the maximum increase applied to goods and services costs was equivalent to the underlying rate of inflation (estimated at 2.5% for 2002). The maximum increase applied to staff costs was equivalent to estimated headline inflation (3.0%) plus a small margin.

- Special circumstances relating to particular committees have been taken into account, resulting in real increases in some cash limits (paragraph 5.3.14 et seq).

5.3.8 The policy planning submissions of several committees contained requests for additional resources to expand existing services or to introduce new ones, inevitably involving a significant number of additional staff. Generally, and as in previous years, the Committee has not recommended a real increase in revenue allocations in such cases, except where the approval of the States has already been given or where additional staff have been approved by the Civil Service Board. In some cases, funding has been set aside in a provision for short term contingencies pending consideration by the States.

5.3.9 The Board of Health is again an exception to this policy. The Board is endeavouring to expand a number of services with significant staffing implications for which approval has not been granted. It would not be practical or desirable for the Committee (or for the States) to assess in detail each individual area of expansion and come to a view on whether the stated manpower requirements were justified. Nevertheless, the Committee is satisfied that, overall, additional resources are needed and has recommended funding accordingly.

5.3.10 In so doing, the Committee repeats the caveat contained in previous Policy and Resource Planning Reports that it "is not conceding the need for an overall increase in the number of permanent posts within the establishment of the Board of Health. The possible requirement for each additional post must be discussed in detail with the Civil Service Board, which would take into account a number of considerations including:

- The possibility of "trading off" a reduction in one area against an additional post in another.
- The possibility of reducing the requirement for additional permanent staff by contracting out services. Any financial implications of so doing would be a matter for further consideration by the Advisory and Finance Committee".

5.3.11 The Committee's recommendations for individual cash limits for 2002 are set out in the table on the following page. The table also includes committees' present estimates for Formula Led costs.

5.3.12 The definition of a Formula Led cost is set out in the States Financial Procedures and is a cost over which committees have no effective control in the short term. The 2002 figure is therefore in the nature of an estimate rather than a limit and represents an increase of £2.4m (4.9%) over the current estimate for 2001. A full analysis of Formula Led costs for 2001 and 2002 is contained in Appendix IX.

### 5.3.13 Recommendations for Expenditure Limits for 2002

	Non-Formula Led Cash Limit 2002 £	Formula Led Estimate 2002 £	Proposed Cash Limit 2002 £
Advisory and Finance Committee:			
General	15,400,000	1,179,650	16,579,650
Strategic and Corporate Measures	870,000		870,000
States of Alderney	1,310,000	(411,000)	899,000
Agriculture and Countryside Board	2,720,000	144,600	2,864,600
Arts Committee	145,000		145,000
Board of Administration:			
General	5,870,000		5,870,000
Central Services	2,260,000		2,260,000
Board of Health	57,250,000		57,250,000
Board of Industry	3,185,000		3,185,000
Cadastre Committee	190,000		190,000
Children Board	4,870,000		4,870,000
Civil Defence Committee	125,000		125,000
Civil Service Board	1,240,000		1,240,000
Education Council:			
General	39,750,000		39,750,000
Higher and Advanced Education	5,450,000		5,450,000
Guille Allès Library	790,000		790,000
Gambling Control Committee	6,000		6,000
Guernsey Social Security Authority	1,440,000	48,372,315	49,812,315
Heritage Committee	1,190,000		1,190,000
Committee for Home Affairs			
Police	8,610,000		8,610,000
Fire Brigade	2,600,000		2,600,000
Prison	2,400,000		2,400,000
- Transfer from Crown Revenues	(2,400,000)		(2,400,000)
Committee for Horticulture	990,000	300,000	1,290,000
Housing Authority	5,100,000	140,000	5,240,000
Income Tax Authority	3,610,000		3,610,000
Island Development Committee	1,990,000		1,990,000
Island Reception Committee	21,000		21,000
Liberation Celebrations Committee	46,000		46,000
Overseas Aid Committee	1,050,000		1,050,000
Probation Service Committee	257,000		257,000
Public Assistance Authority	440,000	164,470	604,470
Public Thoroughfares Committee	7,800,000		7,800,000
Recreation Committee	1,265,000		1,265,000
Sea Fisheries Committee	300,000		300,000
States Traffic Committee	2,460,000		2,460,000
Tourist Board	4,200,000		4,200,000
Transport Board	30,000		30,000
	£184,830,000	£49,890,035	£234,720,035

**Advisory and Finance Committee – General - £16,579,650**

5.3.14 The Committee has, in recent Budget and Policy and Resource Planning Reports, advised the States of the increased and increasing pressures with which it is faced. Many of these pressures are outside of its control and are the result of changing international standards. Those with the most significant effects on its budget are:

- The need for additional resources in the short term as a result of the incorporation of the European Convention on Human Rights and Fundamental Freedoms into domestic legislation.
- The need for additional legal resources to service the increasingly complex needs of the finance sector.
- The escalating costs of dealing with external pressures.
- The increase in the number and complexity of corporate initiatives (for example, commercialisation, property co-ordination and IT).
- The rapidly increasing amount of Court business, particularly in respect of more complex civil finance based cases.

5.3.15 In January 2001 (Billet d'Etat I, 2001), the States approved the Committee's proposals for a Corporate Purchasing and Finance System. At the time the Committee advised of the ongoing revenue costs, to cover items including software user licences, provision and maintenance of hardware in the data centre, software development and ongoing staff training and support. (It should be noted that from year three onwards of the project, revenue savings due to improvements in purchasing and streamlined processes are expected to be £1.6m).

5.3.16 Although, as set out in Appendix VIII, the Committee has a relatively high level of unspent balances as at the end of 2000, to a large extent these have already been committed to fund essential expenditure, some of which will be ongoing. As a result, the Committee's unspent balances are expected to be substantially exhausted by the end of 2001.

5.3.17 The Committee's allocation therefore includes an additional £1.5m to cover expected additional costs, some of which have been funded from unspent balances in 2001, and in some cases also in 2000. However, it is emphasised that although the costs of the new enhanced Corporate IT System, Human Rights Training and Data Protection are within the Committee's budget they represent areas of expenditure with a States wide coverage and benefit. The main areas of increase are as follows:

	<b>£000</b>
Corporate Purchasing and Finance System Software etc.	600
Policy Unit/Strategic Property Unit – Additional Staff	322
Human Rights Training	200
Data Protection – Additional Staff	100
Courts – Additional Staff	87
Priaulx Library – Increase in Grant	80

**Agriculture and Countryside Board - £2,864,600**

- 5.3.18 The recommended allocation includes an allowance of £98,000 to fund additional milk recording expenses, periodic relining and increased fuel costs of the incinerator. The latter item is not an annual cost.

**Arts Committee - £145,000**

- 5.3.19 The recommended allocation includes an additional one-off increase for 2002 of £30,000 to fund a series of events to commemorate the 200<sup>th</sup> anniversary of the birth of Victor Hugo.
- 5.3.20 The Committee is making this recommendation on the basis that the Arts Committee liaises closely with other committees, in particular the Tourist Board and the Heritage Committee, to ensure that the events marking Victor Hugo's association with the Island are carried out in a co-ordinated and mutually supportive manner.

**Board of Administration – General - £5,870,000**

- 5.3.21 The allocation includes an additional £175,000 in respect of staff costs associated with All Crimes Legislation and the revenue costs of the Financial Intelligence Service (jointly funded with the Police). This increase is partly offset by a transfer to the Transport Board of £30,000 (paragraph 5.3.49).
- 5.3.22 The recommended allocation also assumes that maintenance of the Alderney Breakwater will continue. If a capital project is approved and maintenance curtailed, an appropriate sum will be returned from the Board's budget to the General Revenue Account.

**Board of Administration – Central Services - £2,260,000**

- 5.3.23 It has been possible to decrease the allocation by £100,000 following the relocation of the Housing Authority from the Markets to Sir Charles Frossard House.

**Board of Health - £57,250,000**

- 5.3.24 As set out in last year's report, the Board had advised that the need for additional resources in the future should be much reduced, largely as a result of efficiencies arising from investment. Although the Committee welcomed the Board's projections of only limited, if any, growth, it noted that this would reverse the trend of recent years.
- 5.3.25 Unfortunately, the Board of Health continues to experience increasing demand for services across virtually all of its activities and continues to suffer from the high rate of medical inflation. Another factor affecting the Board's expenditure is the cost of the Reciprocal Health Agreement, expected to continue to increase by 6.1% in each of the next three years following changes in the funding of the National Health Service in the UK.
- 5.3.26 The Committee has therefore concluded that an increase in the Board's resources is again required if existing services are not to fall below the standards to which the community aspires and if essential new services are to be introduced.

- 5.3.27 The suggested allocation will provide the Board with about £2.1m of additional resources in real terms, including £0.6m to fund the first stage of the Board's targeted community services programme. As in previous years, this is still less than requested by the Board. However, taking into account the reduced resources available for allocation in 2002 and the other priorities of the States, the Committee is unable to recommend an allocation that would meet the Board's request in full. The Committee therefore again asks the Board to seek further savings and efficiencies to offset the shortfall.

**Board of Industry - £3,185,000**

- 5.3.28 The Committee recognises that e-Business is an area of considerable importance to the economic future of the Island. Therefore the Committee is recommending an increase in the Board's 2001 revenue budget to cover the costs of promoting and developing e-Business and associated activities (paragraph 5.2.4). An allowance of £1.65m has been made for 2002 to fund the promotion of e-Business and the finance sector. The Board has indicated that in future years reduced, but still significant, amounts will be required to continue with its efforts.

**Children Board - £4,870,000**

- 5.3.29 The Board's 2001 revenue cash limit included an additional £53,000 to cover an external review of its services and redrafting of the Child Care legislation. These items were not ongoing and the Board's allocation is correspondingly reduced in 2002.

- 5.3.30 The Board will be undertaking a comprehensive survey to formulate a long-term site development plan and additional resources may be required to fund property maintenance.

**Education Council – General - £39,750,000**

- 5.3.31 The Council's submission included requests for significant extra resources to fund additional staff in a number of areas and an increase in the cost of maintenance of its properties. It is understood that later in the year the Council will be reporting to the States on both of these matters, therefore no allowance is made in the above allocation. However, funding has been set aside in the provision for short term contingencies within the General Revenue Account (paragraph 5.3.4) pending the States decisions.

- 5.3.32 The recommended allocation includes £120,000 to cover the revenue costs of the Council's ICT Strategy approved by the States in July 2000 (Billet d'Etat XVIII, 2000). An additional increase of £375,000 has also been allowed to cover In-Service Training, supplies and services at the College of Further Education and some of the other higher priority requests identified by the Council.

**Education Council – Higher and Advanced Education- £5,450,000**

- 5.3.33 In May 2001 (Billet d'Etat XI, 2001) the States approved proposals to improve the value of student grants and to reduce parental contributions in respect of Higher Education.

- 5.3.34 In recent years the Council has generated high levels of unspent balances because fewer students than expected have gone on to higher education. Previously, the Council has returned the greater part of its unspent balances to the General Revenue Account.

- 5.3.35 The Council currently has almost £750,000 of unspent balances in its Higher and Advanced Education budget and has agreed that these will be used to fund the additional costs. No increase in its 2002 allocation is therefore necessary.

**Heritage Committee - £1,190,000**

- 5.3.36 The Committee is recommending an increase in the Heritage Committee's 2001 Revenue Budget to cover condition surveys and maintenance of its historic sites (paragraph 5.2.6). A similar increase is allowed for 2002 together with a sum of £30,000 for the implementation of a Business Continuity Plan.

**Committee for Home Affairs – Police - £8,610,000 & Fire Brigade - £2,600,000**

- 5.3.37 No allowance has been made for anticipated additional revenue costs related to national changes in radio systems, which will affect both the Police and the Fire Brigade. It is understood that the Committee for Home Affairs will be submitting a report to the States on the matter, after which, depending upon the decision of the States, funding may be released to the revenue budgets of the Committee. In the meantime provision has been made within the General Revenue Account.

**Committee for Home Affairs – Prison - £2,400,000**

- 5.3.38 The allocation includes an additional allowance of £161,000 to cover the cost of additional staff, Prison Officer training and medical expenses.

**Housing Authority - £5,240,000**

- 5.3.39 The recommended allocation includes an additional £200,000 for increased staffing in the Authority's Administration and Policy Section and at its Residential Homes. The increased administrative staffing requirements reflect the increased level of activity by the Authority in respect of a number of housing initiatives including Housing Associations, property development and renovation etc.

**Island Development Committee - £1,990,000**

- 5.3.40 The Committee's revenue budget has been frozen in cash terms for a number of years. Its unspent revenue balances are expected to be substantially exhausted in 2001 and an increase of £220,000 is therefore included in the recommended allocation to fund the Committee's ongoing service commitments.

**Liberation Celebrations Committee - £46,000**

- 5.3.41 As set out in last year's report, the cash limit of the Liberation Celebrations Committee was increased by £15,000 to cover increased costs in respect of health and safety measures, site services and event co-ordination. However, the Committee did not support a further request for a further increase of £30,000 to fund greater expenditure on entertainment. The Committee felt that, in view of the pressures on spending elsewhere, States priorities in other areas and the potential for sponsorship, it could not support this request. The States agreed with this approach.

- 5.3.42 In its submission this year the Liberation Celebrations Committee again requested an additional £30,000 to fund greater expenditure on the event.

5.3.43 The Advisory and Finance Committee still believes that there is considerable potential to increase the level of sponsorship to fund this event and thereby limit the overall burden on General Revenue.

5.3.44 It has therefore advised the Liberation Celebrations Committee that it would be prepared to support an increase in the proposed limit on the basis of one pound for each additional pound of new sponsorship raised (compared to that raised for the 2001 celebrations) up to a maximum of £15,000. The Advisory and Finance Committee **requests the States that it be given the delegated authority to approve the details of such an arrangement with the Liberation Celebrations Committee.**

**Overseas Aid Committee - £1,050,000**

5.3.45 In May 2001 (Billet d'Etat XI, 2001) the States approved proposals to increase the revenue allocation in 2002 to 2005 by £100,000 per annum in real terms. Accordingly, the recommended allocation includes an appropriate allowance.

**Sea Fisheries Committee - £300,000**

5.3.46 The recommended allocation includes an additional £15,000 to fund investigations into the quality of locally caught fish to meet EU food standard safety requirements.

**States Traffic Committee - £2,460,000**

5.3.47 In March 2001 (Billet d'Etat III, 2001) the States approved increases in the level of Public Transport Subsidies. An allowance has been made for this in the recommended allocation but may be subject to adjustment once the contract negotiations are finalised. This will be reflected in the Committee's revenue budget submitted to the States for approval as part of the 2002 Budget later this year.

**Tourist Board - £4,200,000**

5.3.48 In recent years the Board's expenditure under its Sale and Marketing heading has been considerably less than budgeted resulting in the generation of large sums of unspent balances (£1.3m). The Board's cash limit for 2002 can therefore be reduced without any adverse effect on its marketing activities. In making this recommendation the Committee considers that the Tourist Board should actually spend all of its promotional budget in support of its mandate. The Board should of course obtain the best possible value for money and seek efficiencies but any underspends should then be used for further targeted marketing rather than accumulated as unspent balances.

**Transport Board - £30,000**

5.3.49 The Transport Board's expenditure, which is largely administrative in nature, has previously been provided from the Board of Administration's General Budget. However, the revised mandate of the Transport Board includes a greater emphasis on actively ensuring that the Island has adequate transport links. It is therefore important that the Transport Board should have a greater degree of independence from the Board of Administration (which also has responsibility for the operation of the Harbours and Airport).

5.3.50 The Committee therefore agrees with the Transport Board's request, which is supported by the Board of Administration, that it should have its own separate budget.

## 5.4 CAPITAL EXPENDITURE

5.4.1 The demand among States committees for capital resources is increasing at a rate that gives rise to considerable concern for the States' future financial position. There are a number of reasons for this, including past delays, increasing expectations and levels of demand and changing standards.

5.4.2 The escalation in demand is illustrated by the lists of requests from committees for additional capital allocations contained in successive Policy and Resource Planning Reports:

	<b>£m</b>
Total additional capital allocations requested -	
2001 (Appendix X)	301
2000	195
1999	136
1998	102
1997	89

### Capital Reserve

5.4.3 The Capital Reserve, which plays an increasingly essential role in the management of the States finances, was established primarily to accumulate funding for future capital projects of exceptional magnitude of which the Committee is aware and in respect of which:

- The cost is likely to be such that income will be insufficient in the years when allocations to cover them would normally fall to be made, and
- the Committee does not yet have sufficient information to assess the relative priorities of the projects concerned.

5.4.4 The Reserve may also provide flexibility in dealing with unforeseen necessary capital expenditure and be a mechanism to achieve a more even flow of capital spending over the economic cycle.

5.4.5 The Committee reviews the requirement of the Reserve on an ongoing basis and at this stage it considers that the actual, probable and possible major calls on the Capital Reserve are as follows:

- The States have directed the Board of Administration to prepare documentation and invite tenders for major works on the Alderney Breakwater (Billet d'Etat XIX, November 1999). The Board has included the sum of £18.4m in its list of capital requests for this project.
- The States have agreed in principle to the installation of a waste-to-energy plant (Billet d'Etat XII, June 1998) at a cost currently estimated at £25.0m. This project will generate an income stream and alternative methods of funding are currently being investigated. However, direct funding, at least in part, by the States is still a possibility and therefore provision must be made.

- In December 2000 (Billet d'Etat XXV, 2000) the States approved the refurbishment and extension of the Courts and voted a sum of £3m for the enabling works, to be funded from the Capital Reserve. The Board of Administration's list of capital requests includes a further sum of £14.1m for this project.
- The Board of Health's site development plan endorsed by the States (Billet d'Etat XV, July 1999) is now estimated to cost in the region of £40m over a ten year period rather than the seven years originally envisaged. Although the extension of the timescale increases the possibility that the expenditure may be funded from the Board's annual new capital allocations in the normal way, it is still likely that it will be necessary to call upon the Capital Reserve to a significant extent.
- The Waste Strategy Assessment has indicated that the cost of sewage treatment, by means of a treatment plant, or otherwise, could be in the region of £20m.
- The cost of connecting all properties to the main drains has been estimated at up to £80m.
- In April 2001 the States approved the Recreation Committee's proposals for the redevelopment of the Beau Sejour Centre and voted a sum of £800,000 to cover the costs of consultants' fees. It is estimated that the total cost of the project will be about £9m (Billet d'Etat VI, March 2001).
- The recent debate on proposals for Secondary and Tertiary Education in the Bailiwick again highlighted the need for considerable investment in the Islands' schools possibly in the region of £80m.
- The Reserve may also need to fund a contribution, not yet quantified, to the development of Housing Target Area 8 at Belgrave Vinery.
- The States are due to consider in June 2001 proposals from the Traffic Committee for the creation of additional car parking spaces on States owned sites in St. Peter Port at an estimated cost of £9.3m. Although the Committee firmly believes that private sector funding should be found, at this stage this is not certain.

5.4.6 It is not possible to be precise as to the funding that will be required from the Capital Reserve in respect of these projects. This will depend largely upon when they proceed and the extent to which they can be financed from the revenues then current. As discussed elsewhere in this report their eventual cost will also be affected by local building conditions. However, on the basis of the above, it is likely that the Reserve will need to provide well in excess of £100m and possibly in excess of £200m.

5.4.7 A number of the projects detailed above are likely to be considered by the States within the next eighteen months. These projects, if approved, together with withdrawals already agreed would substantially reduce the balance on the Capital Reserve, as shown below:

	£m	£m
Balance at 31.3.01		94.7
Add Interest in 2001 and 2002		<u>8.5</u>
		103.2
Less withdrawals already approved:		
CIEG Cable Link Connection (vote 26.7.00)*	2.0	
Transfer to Education Council Capital Allocation (vote 27.7.00)	10.0	
Courts Extension/Redevelopment (vote 27.12.00)	14.1	
Hi-Technology Park Consultants (vote 28.2.01)	0.5	
Beau Sejour Redevelopment (vote 11.4.01)	<u>9.0</u>	35.6
Other possible withdrawals:		
Waste-to-Energy Plant	25.0	
Alderney Breakwater	18.4	
Osmond Priaulx Memorial Field Spectator Facilities	0.6	
States of Alderney Incinerator	<u>0.6</u>	44.6
		<u>£23.0m</u>

\* Following further investigation the original estimate of £10m for the cable link connection has now been revised significantly downwards.

- 5.4.8 At this stage the Committee **recommends that a transfer to the Reserve of £6.0m should be assumed for 2002, although the actual amount will be for consideration in the Budget Report when updated estimates of income and expenditure for both 2001 and 2002 will be available.** The sum presently recommended is the maximum that the Committee considers can be set aside for transfer to the Capital Reserve. However, The Committee is concerned that this sum is far from sufficient to meet committees' projected capital expenditure requirements.

#### **Capital Fund – Capital Allocations**

- 5.4.9 The Committee is recommending that the total additional capital allocations for the years 2002 to 2004 should amount to £21.4m.
- 5.4.10 The capital allocations available to committees at 30 April 2001 totalled the substantial sum of £48.6m and the new allocations recommended cover committees' more immediate needs.
- 5.4.11 The following table summarises allocations currently available to individual committees, recommended new allocations, and the total allocations thus available.

	<b>Balance of Allocation at 30/4/01</b>	<b>Suggested New Allocation</b>	<b>Total Allocation available to period ending 31/12/04</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Advisory and Finance Committee			
General	1,293,256	1,000,000	2,293,256
States of Alderney	1,143,669	250,000	1,393,669
Agriculture and Countryside Board	42,662	NIL	42,662
Board of Administration	7,807,344	NIL	7,807,344
Board of Health	11,456,978	4,000,000	15,456,978
Board of Industry	5,257	300,000	305,257
Children Board	331,353	200,000	531,353
Civil Defence Committee	53,829	NIL	53,829
Education Council	11,159,325	NIL	11,159,325
Heritage Committee	408,507	NIL	408,507
Committee for Home Affairs	3,359,527	1,000,000	4,359,527
Committee for Horticulture	100,907	NIL	100,907
Housing Authority	7,376,402	12,000,000	19,376,402
Income Tax Authority	43,785	NIL	43,785
Island Development Committee	1,810	75,000	76,810
Public Thoroughfares Committee	1,139,765	2,500,000	3,639,765
Recreation Committee	1,546,229	NIL	1,546,229
Sea Fisheries Committee	5,750	20,000	25,750
States Traffic Committee	810,330	NIL	810,330
Tourist Board	526,602	NIL	526,602
	<hr/>	<hr/>	<hr/>
	£48,613,287	£21,345,000	£69,958,287
	<hr/>	<hr/>	<hr/>

5.4.12 If the States approve the recommended capital allocations, committees are required to reconsider their priorities and formulate a capital programme of projects that can be funded from the allocation then available. Committees must submit their programmes to the Advisory and Finance Committee, which the Committee will then publish as an Appendix to the Billet d'Etat containing the Budget.

5.4.13 Comments indicating the Committee's reasons for recommending particular allocations are set out in the following paragraphs. It is emphasised that in approving the allocations, the States are not specifically signifying support for the projects referred to in those comments, nor are committees obliged to prepare their capital programmes based upon such projects (although there is an expectation that committees' capital programmes would normally reflect the priorities set out in their requests for additional capital allocations). The States, or the Advisory and Finance Committee acting under delegated authority from the States, must subsequently approve all projects to be funded by capital allocations following the submission of reports from the committees concerned.

**Advisory and Finance Committee - £1,000,000**

- 5.4.14 The Committee's current allocation is required to fund the Royal Court roof repairs and the transfer of the States Analyst's Laboratory to Burnt Lane. The suggested allocation covers IT additions and network upgrades in connection with corporate IT projects and the initial investigations into e-Government infrastructure.

**States of Alderney - £250,000**

- 5.4.15 No allowance has been made for the installation of a waste incinerator in the above sum since it is understood that the cost shown in the list of capital requests (Appendix X) is indicative only. However, as stated in last year's Report, the Committee acknowledges that waste in Alderney, as in Guernsey, must be disposed of by environmentally acceptable means. It is therefore anticipated that funding for this project will come, wholly or partly, from the Capital Reserve.

**Board of Health - £4,000,000**

- 5.4.16 The progress on the Board's site development plan approved by the States in July 1999 has been slower than originally anticipated. It is expected that the suggested allocation is sufficient to fund the plan until late 2002 and also enable the Board to continue with its programme of replacement and additional equipment. However, if the planned redevelopment of the Medical Unit at the Princess Elizabeth Hospital progresses faster than is currently expected, it may be necessary to transfer an amount from the Capital Reserve to allow the project to progress.

**Board of Industry - £300,000**

- 5.4.17 For a number of years the Board has accumulated its revenue unspent balances to fund, with the Committee for Horticulture, a major redevelopment at Burnt Lane. However, the Board now has additional revenue requirements for which, in accordance with the States Financial Procedures, these balances are now required. A capital allocation of £300,000 is recommended so that the proposed redevelopment can progress.

**Education Council – NIL**

- 5.4.18 The Council has a current allocation of £11m and following the debate in July 2000 on its ICT Strategy the States authorised the Committee to transfer up to £10m from the Capital Reserve to the Council's allocation. The remaining items in the Council's ICT Strategy amount to about £6m leaving around £15m available for other items. The Council should, therefore, be able to work within its existing capital resources for the immediate future.
- 5.4.19 However, the Council has already highlighted the need for future substantial capital expenditure which will need to be investigated further. It is anticipated that future capital funding will be addressed as part of next year's Policy and Resource Planning process.

**Housing Authority - £12,000,000**

- 5.4.20 The suggested allocation together with existing resources will allow the Authority to proceed with its major programme of refurbishing States houses and fund grants to Housing Associations. The size of this allocation, together with last year's allocation of £4.5m, emphasises the importance of, and priority given to, maintaining and improving the Island's housing stock.

**Public Thoroughfares Committee - £2,500,000**

- 5.4.21 In October 2000 the States approved the Public Thoroughfares Committee's foul water network extension plan to be completed by a series of short term contracts with a funding requirement in the first five years (Phase 1) of £3m annually. Together with its existing allocation the suggested new allocation will enable the Committee to continue this plan and allow it to progress some of its other projects.

**Recreation Committee – NIL**

- 5.4.22 Funding for the redevelopment of the Beau Sejour Centre will come from the Capital Reserve. As stated in last year's Report, it may also be necessary to fund half the estimated £1.2m cost of spectator facilities at the Osmond Priaux Memorial Field from the Capital Reserve if matching finance from non-States sources is forthcoming.

**States Traffic Committee – NIL**

- 5.4.23 In March 2001 the States approved the States Traffic Committee's proposals for the purchase of new buses. However, it has indicated that no purchases will be made before the end of 2002 at the earliest and no additional allocation is therefore recommended.

**Other Recommended Allocations**

- 5.4.24 Other recommended allocations, including nil allocations, together with existing balances, should allow the committees concerned to proceed with their more urgent projects and with routine replacement programmes.

**5.5 CAPITAL OVERSPENDS****Government House Major Maintenance Programme**

- 5.5.1 In July 1998 (Billet d'Etat XIX, 1998), the States approved a capital vote of £824,750 to fund the above programme, the last major structural works on the building having been carried out in 1953.
- 5.5.2 The Committee regrets that, as set out below, the total cost of the programme is expected to be about £60,000 in excess of the amount voted.
- 5.5.3 The main reason for this additional cost was the work undertaken on the staff cottages. On commencing work within the cottages it became obvious that little or no maintenance, other than decorating, had been carried out for very many years and that some of the original structure and detailing was inadequate and did not comply with modern building standards.

5.5.4 In addition, remedial works to the colonnade at the rear of the house and the east gable proved necessary. It should also be noted that during the course of the programme local building costs increased by a greater amount than provided for in the original estimate.

5.5.5 The Committee believes the additional costs of the works were essential and will avoid any major expenditure on Government House being required for a considerable time. It therefore **recommends the States to vote the Advisory and Finance Committee a credit of £60,000 to cover the additional costs of the major maintenance project at Government House which sum to be taken from the Committee's allocation for capital expenditure.**

#### **Victoria Marina Wavegates**

5.5.6 In October 1992 (Billet d'Etat XVII, 1992) the States approved the construction of a wave attenuation system at the Victoria Marina and voted the Board of Administration a total credit of £169,973 chargeable to the Ports Holding Account to cover the cost of the works.

5.5.7 The main purpose of the scheme was to provide additional 'overwintering' facilities at St. Peter Port Harbour and it was expected that the extra mooring fees received would cover the cost of construction. However, difficulties were experienced with the operation of the gates and unsuccessful attempts were made to rectify the problem. As a result, the total expenditure on the project was £243,531. The Board subsequently obtained an ex-gratia payment of £70,000 from the consultant engineers involved in the project.

5.5.8 In 1997 the Board estimated that remedial works costing approximately £77,000 would be necessary before the gates could operate correctly. However, by this time, the demand for overwintering facilities had declined and it was not considered viable to undertake this work. The gates have therefore been put in storage and if there is an upturn in the overwintering trade in the future the Board would consider undertaking the necessary work to make them operational provided that a viable financial case can be made.

5.5.9 The net overspend on the capital vote is only £3,558.06 which the Advisory and Finance Committee could use its delegated powers to sanction. However, on this occasion the Committee is of the opinion that it is appropriate to refer the matter to the States as:

- The total gross expenditure on the project was £73,558 in excess of the States vote.
- No workable asset has been acquired.

5.5.10 The Committee is satisfied with the explanation provided by the Board of Administration and therefore **recommends that the situation be sanctioned and the net overspending of £3,558.06 be charged to the Ports Holding Account (Harbour of St. Peter Port).**

#### **Maison Le Marchant**

5.5.11 In February 1991 (Billet d'Etat II, January 1991), the States voted the Housing Authority a credit of £2,165,310 to cover the cost of the redevelopment of Le Marchant Villas, the sum to be taken from the Housing Development and Loan Fund.

- 5.5.12 In the 1995 Policy Planning Report the Committee reported that the main contractor had gone into liquidation and it was expected to be some time before the final cost of the project was known.
- 5.5.13 After considerable further investigation and negotiation, in October 2000 the Housing Authority reached a final agreement with the liquidator and the total expenditure on the project was settled at £2,267,595, resulting in an overspend of £102,285 on the original States vote.
- 5.5.14 The main reason for the overspend was the additional professional fees that arose from the failure of the original contractor and the complexities concerning negotiations over the liquidation. The Committee is satisfied that the overspend was beyond the control of the Authority. The Committee therefore **recommends that the overspend of £102,285 be sanctioned and charged to the Housing Development and Loan Fund.**

## **5.6 SAVINGS ON CAPITAL VOTES**

- 5.6.1 The States Financial Procedures provide that "any balances unspent on completed capital projects chargeable to the General Revenue Account shall be added back to the capital allocation of the appropriate committee".
- 5.6.2 The Committee reports that during the period from the beginning of 2000 to date, a total of £0.6m has been added back to individual committee allocations in respect of closed votes.

## **5.7 THE CORPORATE IT FUND**

- 5.7.1 Appendix VI details the use of the Corporate IT Fund in 2000/2001, from which it can be seen that all the projects were of a corporate nature and either related to e-Government or to developing the network infrastructure to support e-Government.
- 5.7.2 The Committee anticipates that there will be the need for further upgrades to the network infrastructure to support e-Government and the Corporate Finance and Purchasing project. Separate allocations have been identified for the implementation of a States internet portal and for a "pump-priming" fund to support e-Government development in other committees.
- 5.7.3 The Committee anticipate that development of the network infrastructure could involve expenditure of up to £800,000 over the next three years, but believes that central funding of this nature should continue to be prioritised and restricted and accordingly **recommends the States to vote a sum of £100,000 for Corporate IT projects to be taken from its capital allocation.**

## **PART 2**

### **Section 6 HUMAN RESOURCES**

#### **6.1 THE WIDER CONTEXT**

- 6.1.1 Although this section is mainly concerned with the management of human resources in the public sector, the Advisory and Finance Committee is very aware that the recruitment and retention of public employees is influenced by the broader, local labour market and by labour markets for key skills which operate across national boundaries.
- 6.1.2 Increasing difficulties in recruiting and retaining police, nurses, specialist health staff and teachers have become a major source of concern and public debate during the past year highlighting problems to which there is no simple solution.
- 6.1.3 As a matter of principle, the Committee considers that continuing constraints on the overall size of the public sector should be accompanied by a recognition that a more sophisticated approach may now be necessary if we are to maintain satisfactory public services and to maximise the effective use of resources.
- 6.1.4 In this respect, the Committee acknowledges the Board of Industry's initiative in commissioning Professor Jon Clark, a consultant in this field, to conduct an independent review of mechanisms for determining public sector pay in Guernsey.
- 6.1.5 During the year ahead, the Committee will seek to work with the Civil Service Board to identify ways of easing staffing pressures especially in the key public services. This will include the consideration of the different factors (cost of housing, length of housing licences etc) which may affect recruitment and retention.
- 6.1.6 In addition, the Committee will encourage a flexible and innovative approach to the employment of those groups who might otherwise be discouraged from joining the workforce. This includes people with disabilities and those with care responsibilities.

#### **6.2 HUMAN RESOURCES IN THE PUBLIC SECTOR – THE CIVIL SERVICE BOARD**

##### **6.2.1 Strategic Overview**

The strategic rôle of the Civil Service Board, acting on behalf of the States of Guernsey as employer, is to ensure that States Departments have quality staff who will enable the provision of quality services to the people of Guernsey. In undertaking this rôle, the Board is committed to implementing human resource policies and processes that contribute to the States and Committees strategic and corporate objectives to the short- and long-term benefit of the Island.

- 6.2.2 The Board believes that this will be achieved by a variety of human resource interventions including constantly seeking out and applying best practice in the recruitment, retention, training and development of high calibre staff so that States activities are undertaken and services delivered efficiently, effectively and economically, and to the satisfaction of service users.

- 6.2.3 However, the Board is aware that the States strategic policies may sometimes be in conflict, particularly when the benefits of a buoyant economy threaten other aspects of quality of life. The economic, social and environmental objectives of the States have to be weighed against each other, and priorities determined. In giving a clear strategic direction, the States must consider the wider picture and take care that benefits in one area do not create damage in others. This is particularly the case when committees make requests that may result in additional staffing.
- 6.2.4 The Board is aware that its commitment to provide quality staff has to be implemented in an environment in which such staff are at a premium. This has consequences for both the recruitment and retention of staff.
- 6.2.5 With regard to the recruitment of Civil Servants, the Board has been reviewing its marketing strategies in order to strengthen its position as an employer. The strategies include emphasising the States commitment to equal opportunities in principle and practice. While certain professional skills remain in short supply, the Board continues to recruit excellent school-leavers with above-average qualifications at GCSE and A level.
- 6.2.6 The Board believes that increasing its attractiveness as an employer of quality staff helps departments to deliver quality services. **The Board believes that a comprehensive and professional customer survey would provide committees with important feedback about satisfaction with services which would act as a benchmark for future action.** This is in line with the thrust of this year's Policy and Resource Planning Report towards a policy approach which delivers results.
- 6.2.7 Recruitment strategies have to be matched by retention strategies. At the heart of both are the pay and conditions package offered by the States, and the quality of the working environment and management that people encounter as employees.
- 6.2.8 Turnover figures for Civil Servants are some 3% to other employment, and 10% in total. As overall figures, these are in the range many organisations would aim for in order to benefit from "new blood" and opportunities for promotion. However, higher localised or specialist turnover creates difficulties, especially in shortage professions.
- 6.2.9 There may be a case to be made for higher pay or other benefits in some of these areas. However, where shortages of staff are caused by shortages or high cost of accommodation, increasing pay cannot be a blanket solution – it does not create more housing.
- 6.2.10 Human Resource Issues**
- This is the third year that Committees have been asked to include human resource statements in their policy planning submissions. For some Committees, this is an opportunity to demonstrate how far human resource issues have been integrated into their policy and resource planning.
- 6.2.11 As in the previous two years, recurrent themes related to increased demands for services, the pressure of public expectations, and the pressure of legal or regulatory compliance. All of these exert pressure on the workloads of existing staff, even where departments use a range of performance management tools to make the best of their staff.
- 6.2.12 The Civil Service Board continues to believe that appraisals are essential in this respect, and has written to Committees stating that it would wish all established staff to have access to appraisals by the end of this year.

- 6.2.13 The Board also believes that IT has a fundamental part to play in increased productivity and access to services. It is vital to have a States-wide infrastructure which will allow Committees to communicate with each other and with the public. It is also vital that individual Committees have access to technology which will allow staff to work more effectively and efficiently.
- 6.2.14 Committees must have adequate resourcing to make the best of IT. There must also be adequate resourcing to ensure that the skills infrastructure of the Island – including both the general level of education and further specialist training – are maintained and enhanced in order to meet future challenges successfully.
- 6.2.15 The Civil Service Board will be giving more detailed consideration to specific points raised by Committees. Other strategic issues will be considered in the light of the outcomes of the Reviews of the Machinery of Government and Mechanisms for determining Public Sector pay in Guernsey.
- 6.2.16 Staff Number Limitation Policy**
- Pressure on staff workloads and services creates pressure for the Staff Number Limitation Policy (SNLP).
- 6.2.17 When staff number limitation was first proposed in 1987, three main areas of concern were identified. The first was that if the Civil Service continued to grow there would be increasing difficulty in recruiting sufficient numbers of staff of the right calibre. The second and third were linked: that continued growth in the public sector would increase the pressure on wage inflation and create greater problems for local employers in recruiting and retaining staff. The Civil Service Board has always been aware of its dual responsibilities as employer towards staff and, as part of government, towards the Island as a whole.
- 6.2.18 In 1997, following a review of the SNLP, the States agreed that the Policy should be made permanent. In respect of requests for additional posts and posts deleted, the short-term aim is to limit any growth to as close to zero as practicable and the long-term aim is to achieve a reduction in current numbers.
- 6.2.19 The States also agreed that, in applying the SNLP, the Civil Service Board would have regard to:
- the Strategic and Corporate objectives, policies and priorities adopted by the States through the Policy and Resource Planning process;
  - the detailed long-standing arrangements for requests for additional posts and deleted posts which were set out in its December 1995 Report approved by the States by Resolution IX of Billet d'Etat XXIV, 1995.
- 6.2.20 The States further agreed that a progress report on the achievement of the aims and on the application of the Policy should be included in the annual Policy and Resource Planning Report. Therefore, this year committees were again asked to provide information with regard to their staffing requirements. Appendix II shows the staffing requirements projected by committees for the five year period ending 2005.
- 6.2.21 The table below shows the changes in the number of Full Time Equivalent (FTE) posts since 1990 when the SNLP was extended to cover all Civil Servants and Non-Established Staff (except Police Officers) and the changes which would result from the projections shown in Appendix II.

	<u>Actual Numbers FTE</u>	<u>Projected Numbers FTE</u>	<u>Actual Change to FTE</u>	<u>Projected Change to FTE</u>	<u>Cumulative Total Change (from Nov 1990)</u>
Prior to 1 November 1990	4706				
As at *1 November 1990	4658		-48		
31 December 1991	4655		-3		-3
31 December 1992	4635		-20		-23
31 December 1993	4631		-4		-27
31 December 1994	4631		0		-27
31 December 1995	4645		14		-13
31 December 1996	4688		43		30
31 December 1997	4719		31		61
31 December 1998	4731		12		73
**31 December 1999	4748		17		90
***31 December 1999	4481				
****31 December 2000	4503		22		112
*****31 December 2000	4035				
31 December 2001		4106		71	183
31 December 2002		4198		92	275
31 December 2003		4260		62	337
31 December 2004		4293		33	370
31 December 2005		4321		28	398

\* Following a review of requirements and posts filled, committees agreed to a reduction in their recorded establishments.

\*\* See Appendix III

\*\*\* Total re-based to take account of removal of 267 Telecommunications Board staff from SNLP from 31 March 2000

\*\*\*\* See Appendices II and IV.

\*\*\*\*\* See Appendix II – Total re-based for future years to account for removal of 468 Post and Electricity workers following commercialization.

6.2.22 The above table shows that between 1 November 1990 and 31 December 2000 there has been a net increase of some 112 FTE posts. To date, States-approved decisions to introduce the Health Insurance Scheme, to increase teaching staff numbers in line with the increasing pupil population and to increase policing strength have added some 107 FTE additional posts as follows: Board of Health (49 FTE), Education Council (53 FTE) and Committee for Home Affairs (5 FTE for civilian staff).

6.2.23 Committees were again asked to comment on the potential for reductions in both staff and services to meet the longer-term objective of reducing overall States expenditure and of meeting the stated objectives of the SNLP.

6.2.24 Regrettably, but unsurprisingly given the pressures, no Committee reported significant savings in the past year and no significant opportunities for reductions were identified in submissions. Overall in 2000 there was an increase of 22 FTE posts, (see Appendix V), 6 of which were States-approved increases. As stated last year, in allocating additional posts the Board has made a distinction between voluntary expansions of service and those caused by regulatory or legal requirements. Notwithstanding the effect of the Electricity and Post Office Boards' staff being excluded from the SNLP during 2001 because of forthcoming commercialisation, there are projected requirements for a further 286 FTE posts in the coming five years.

- 6.2.25 Consequently, the Advisory and Finance Committee and the Civil Service Board would urge the States as well as individual Committees to give the most serious consideration to the potential staffing implications of any proposals. **Committees should therefore consult the Civil Service Board at an early stage of any proposals for new or expanded services. In addition, they should identify the staffing implications of any proposals which are taken to the States. Committees should also consider areas of work which can be outsourced, particularly off-Island.**
- 6.2.26 **The Advisory and Finance Committee and Civil Service Board share the view that the justification for the SNLP remains valid and that the overall size of the public sector should continue to be constrained in the interests of the Island's economy as a whole. The context within which the SNLP operates is, however, an increasingly complex one. Acknowledging the difficult balance which has to be struck in delivering high quality public services without increasing the size and cost of the public sector, the Advisory and Finance Committee and the Civil Service Board will explore how, in future, the consideration of requests for new posts can be more explicitly related to priorities identified by the States through the Policy and Resource planning process.**
- 6.2.27 The Training Agency – Progress Report**
- The Training Agency was formerly two separate organisations facilitating training in the financial and commercial sectors respectively. The two bodies merged in 2000 with the aim of providing a single, comprehensive service.
- 6.2.28 The Training Agency facilitates an extensive training and education programme, provides a well used study centre and works closely with stakeholders to meet their changing training and development needs. One of the Agency's key objectives is to engender a training and development culture within the community that aims to produce a highly qualified, knowledge-based workforce with transferable skills. This will enable the various sectors of the Island's economy to develop the resources they require to compete in the international arena.
- 6.2.29 The Agency is acutely aware of the need to cater not only for existing training needs, but also to anticipate the future needs of the economy, particularly in those areas such as e-Business, which the Island hopes to establish as a substantial sector of its economy. The Agency therefore intends to develop further its long-term strategy of facilitating the level and ability of training required to produce the high quality workforce that is essential in achieving the Island's economic goals.
- 6.2.30 In accordance with the report approved by the States at their meeting in April 1999, the Education Council and the Board of Industry will report jointly to the States on the work of the Training Agency and on the future support from the States for its work before the end of 2003.

## **PART 2**

### **Section 7 INFORMATION AND COMMUNICATIONS TECHNOLOGY**

#### **7.1 INFORMATION TECHNOLOGY IN SOCIETY**

7.1.1 The Information Technology in Society Working Group was created to coordinate the IT aspects of e-Business, telecommunications and commercialisation issues. Membership was drawn from a wide range of States and non-States interests. The Group has launched a range of initiatives which are described below. Having achieved its mandate, the Group has been dissolved. Ongoing responsibility for the management of each of the following projects now lies with the committees concerned.

##### **7.1.2 The Guernsey Grid for Learning**

The first phase of the installation of computers and high speed networks into schools is complete and the wide area network linking schools and education services is in place. The central server and communications equipment which links the wide area network to the internet has been operational for over a year and is now working to full capacity as schools begin to exploit the potential of the technology. Further development entailing the extension of the school networks is being planned, with the final phase of the installation being expected to commence in the autumn of 2001. Schools are being equipped with reliable industry-standard ICT equipment and a wide variety of curriculum software to meet the needs of all educational sectors. Students will be provided with high levels of accessibility to relevant quality ICT resources in order to assist them with their academic development. Websites are being developed for each school to enable them to establish and maintain a presence on the Internet, and e-mail systems are being installed to improve communication.

7.1.3 The Guernsey Grid for Learning will provide a platform for collaborative working, learning and development, while providing a safe and secure environment for students. Teaching staff will also be able to benefit from the sharing of resources, knowledge and planning materials, and a comprehensive training strategy has been established to enable professional development. There will also be substantial support for Lifelong Learning within the community, with the potential for delivery of on-line training courses and materials such as the European Computer Driving Licence. Although the Grid is in its early stages of development at present, it has the potential to become the comprehensive on-line resource and communication centre at the heart of learning within the Bailiwick.

##### **7.1.4 IT Training Needs**

The report assessing IT Training Needs was completed in June 2000 and identified a number of ways to allow the Bailiwick to move forward in the most proactive manner possible as it seeks to ensure that it is at the forefront of developments that require world class IT skills. In particular, the report recommended that:

- The Training Agency should co-ordinate the provision of technical and specialist training for IT professionals.
- The College of Further Education should investigate the provision of a two year full time IT specialist course on the style of a Modern Apprenticeship, incorporating six to twelve months on a minimum of two placements with employers.

- The professional development of IT specialists should be encouraged.
- The Training Agency should consider promoting an award for IT training.
- The provision of vouchers to support individual IT Training should be considered.
- The further development of current training and an increase in on-line training.
- The promotion of a high level of IT adoption by organisations.

7.1.5 A project manager was appointed on a temporary contract to initiate aspects of this work prior to its transfer to the Training Agency. In particular, registers of training courses are being established, with particular emphasis on the availability of on-line training and a pilot scheme aimed at supporting professional development of IT specialists has been initiated.

#### **7.1.6 Legal Infrastructure**

The Electronic Transactions (Guernsey) Law received Royal Assent in 2000 and thereafter the States approved the ordinances legitimising electronic means of communication and electronic forms of transactions. Furthermore, in approving the Projet de Loi entitled The Civil Evidence (Guernsey) Law, 2001 the States facilitated the admission of hearsay evidence in civil proceedings in future, thereby reinforcing the provisions of the Electronic Transactions Law.

7.1.7 The States will shortly be asked to approve the Data Protection (Bailiwick of Guernsey) Law 2001, which aims to keep the local regime in conformity with international norms and establish the independent role of the Data Protection Commissioner. In the Autumn the States will be considering draft legislation on Intellectual Property Rights and Copyright, which will also cover the transmission of intellectual property over the Internet and provide additional confidence for the establishment of locally based e-Business operations.

#### **7.1.8 Geographical Information Systems**

The business partnership between the States and Digimap continues to promote the philosophy of corporate data sharing through the medium of the digital map. The Annual Report revealed that 45 customers from both the public and private sectors had taken out licences for the mapping data during 2000.

7.1.9 A new aerial survey has been commissioned to coincide with the 2001 Census, the costs of this survey being met from Royalty income in accordance with the business plan.

7.1.10 The Management Board is considering options for developing the business partnership in order to safeguard the future of the service and will be making appropriate recommendations to the Advisory and Finance Committee later in the year.

### **7.2 ELECTRONIC GOVERNMENT**

7.2.1 The States have strongly endorsed the importance of e-Business to the Bailiwick, recognising:

- The need to promote the Bailiwick as a centre for e-Business and to create an environment in which the whole of society could benefit from the exploitation of Information Technology. [1999 Policy and Resource Planning Report (Billet d'Etat XIII, 1999.)]
- The importance of the "Information Society" revolution and actively supporting the promotion of the Bailiwick as a centre of excellence for e-Business. [Future provision of Telecoms services for the Bailiwick Report (Billet d'Etat II, 2000.)]

Developments in business practice, driven by e-Business, are also having an impact on the operations of governments world-wide. The States need a clear strategy for their own use of this technology (ie e-Government) in order to:

- Improve the quality and accessibility of services offered to the public.
- Achieve greater operational efficiency (eg the E-Pact finance and purchasing project).
- Demonstrate the commitment of the States to the use of new technology.

7.2.2 These objectives can be pursued within existing committees but the real benefits will be achieved when e-Government is implemented at a corporate level. The States will then be able to present its services in terms of public need rather than its own internal organisation. This will improve quality as well as supporting better use of resources.

7.2.3 Overall the anticipated benefits of e-Government are:

- Improved quality of services to individuals and local businesses.
- Efficiency savings both for local business and within the States.
- "Social inclusion" (eg making information and services equally available to housebound people).

7.2.4 The essence of e-Government is for committees to work across organisational barriers in order to offer services in a more coordinated way. This is consistent with the findings of the Harwood report into the Machinery of Government.

7.2.5 Reliable and secure IT facilities across all committees are a prerequisite for the development of e-Government.

7.2.6 Tangible savings will result from the more efficient use of staff and buildings but these will only be achieved if committees are prepared to make changes to existing working practices.

### **7.2.7 Implementing e-Government**

The implementation of e-Government will be an ongoing process in which the States first develop the capability to implement e-Government and then use this to carry out increasingly complex applications.

7.2.8 The Advisory and Finance Committee has resolved to provide leadership at the corporate level by developing a States e-Government strategy and taking responsibility for the management of the corporate facilities needed to support committees in their implementation of e-Government.

Specifically:

- The IT infrastructure needed to support e-Government requires that a single group takes responsibility for the corporate network and for services such as e-mail and Internet access. A new technical support team will be created to deliver this by reorganising existing Information Services Staff and involving technical staff from other committees.
- An e-Government strategist has been appointed by the Advisory and Finance Committee to develop the States strategy and manage its implementation. The e-Government strategist will lead a small team, to manage corporate services such as the Intranet and the Internet Gateway and to provide support and guidance to other committees.
- The staff level IT Strategy Forum will take responsibility for ensuring that the e-Government strategy meets overall business priorities.

### **7.2.9 Supporting Committee Initiatives**

Committees need to develop their business processes to derive maximum benefit from e-Government. However, there is a need for investment to initiate these projects. It is therefore proposed that the Advisory and Finance Committee should hold a pump priming fund to allow the e-Government team to support up to 50% of the costs of e-Government projects within other committees. This is taken into account in the Advisory and Finance Committee's recommended capital allocation.

## **PART 2**

### **Section 8 THE STRATEGIC LAND USE PLAN (DRAFT STRATEGIC AND CORPORATE PLAN 2001)**

#### **8.1 THE PURPOSE OF THE STRATEGIC LAND USE PLAN**

8.1.1 The Strategic Land Use Plan (SLUP) is formally denoted as the Strategic and Corporate Plan. It has been prepared by the Advisory and Finance Committee in pursuance of section 2(1) of the Island Development (Amendment) (Guernsey) Law 1990 and is laid before the States in pursuance of Section 2(3) of that Law. It sets out the strategic objectives to be followed by the Island Development Committee in implementing the Island Development (Guernsey) Laws 1966-1990.

8.1.2 The principles upon which the SLUP is based are set out in the section of this report which deals with Corporate Practices and Policies (see section 2.7.5).

8.1.3 The SLUP was comprehensively revised last year as part of the Strategic and Corporate Plan 2000. This year's draft incorporates only minor, proposed amendments to the wording of tourism policies and the addition of a new Policy 17(a) and explanatory text at Para. 8.4.12.

#### **8.2 LAND USE STRATEGY**

##### **Housing**

8.2.1 The Strategic Land Use Plan needs to consider the amount of new housing required over the plan period, and give guidance on where it should be located. It should also recognise the need to improve the quality of people's lives by ensuring good homes in a quality environment. The Plan requires that a range of housing options are available to meet changing requirements and that full and effective use is made of suitable sites.

##### ***Strategic Statement 1***

***The provision of adequate opportunities to meet the identified housing requirement, with minimum detrimental impact upon the environment and good design to create a high standard of living and social conditions.***

##### **Employment**

8.2.2 The Plan provides the strategic land use framework to guide development including that needed to ensure a diverse economy for the Island. The aim is to facilitate sustainable economic activity. This means providing an appropriate range of opportunities for industry and commerce within the capacity of the Island's resources, and within an overall improvement of environmental quality and social wellbeing.

**Strategic Statement 2**

***The provision of an appropriate range of opportunities for employment and wealth creation within the capacity of the Island's resources, while conserving and enhancing environmental quality and social wellbeing.***

**Commercial centres**

- 8.2.3 The commercial centres in Guernsey serve an important social and economic function. The Town in particular provides jobs in shops, offices and other services as well as being a focus for shopping, social, leisure and cultural facilities. All the centres are important to the quality of life in the Island. The aim for commercial centres and shopping is to maintain and enhance the centres as attractive places to live, work, and enjoy, strengthening the role of the Town and The Bridge as the principal shopping and service centres. This means ensuring that everyone has convenient access to a wide choice of shopping, leisure and other facilities.

**Strategic Statement 3**

***The support of commercial centres as attractive places in which to live, work and take enjoyment, strengthening the role of the Town and the Bridge as the principal centres, while ensuring that everyone has convenient access to a wide choice of shopping, leisure and other facilities.***

**Strategic transport links**

- 8.2.4 The strengthening of external transport and other communication links is of strategic importance for the continued development of a sustainable economy. Good passenger and freight transport is essential for business and for permitting access to services. Strategic air and sea links to and from the Island therefore, need to be kept under review and improved where possible. Development will be encouraged which supports existing transport infrastructure.

**Strategic Statement 4**

***The development of safe, environmentally friendly and efficient transport infrastructure which serves the needs of local residents, industry and commerce.***

**Water and waste management**

- 8.2.5 Adequate provision for water and waste management infrastructure is crucial not only to exploit business opportunities but also to retain and enhance the high quality environment, in itself an important economic resource.

**Strategic Statement 5**

***The proper management of water and waste, with the aim of minimising the environmental impact and making the most effective use of existing resources and infrastructure.***

**Social, community and recreation**

- 8.2.6 Access to a range of services and facilities is an important aspect of quality of life. Their existence also helps support the local economy and tourism. Recent years have

seen a big increase in the demand for social, community, and leisure facilities and this is expected to continue in the future. Sport, entertainment and social facilities will be encouraged where appropriate. Catering for recreation in the countryside without damaging the environment, and developing the potential of the Town and eastern seaboard are also of paramount importance.

#### **Strategic Statement 6**

***The encouragement of opportunities for leisure and the development of community facilities which are easily accessible to all.***

#### **Countryside**

- 8.2.7 The quality of the environment affects people who live in the Island, and can deter or attract potential visitors, tourists and investors. The Island has much to conserve in its rural and urban environments, but it also has poor and degraded environments, which need improvement and enhancement. The land use strategy contains policies and proposals to reconcile and manage potentially conflicting demands on the countryside.

#### **Strategic Statement 7**

***The conservation and enhancement of the countryside, including maintaining and improving biodiversity by protecting and enhancing habitats.***

## **THE STRATEGIC POLICIES**

### **“Adequate housing provision”**

## **8.3 THE HOUSING REQUIREMENT**

- 8.3.1 The housing requirement is determined by the size of the Island’s population, its projected growth, the composition and size of households, and any population policies adopted by the States (see Part 1, Section 2 of this Report). The requirement is therefore affected by particular demographic factors and any discrete or “latent” demand for additional housing within existing households.
- 8.3.2 The 1996 Census revealed a total of 21,862 private households in the Island. Further analysis of the Census projects that by the year 2011 there will be a 30% increase in households over 65 years of age, a 25% increase in households under 65 and a 26% increase in households comprising couples living on their own. In addition, social and cultural trends continue towards smaller household size and there remains significant unfulfilled or “latent” demand for housing within the present population.
- 8.3.3 This analysis provided the benchmark target, incorporated in the Strategic and Corporate Plan, that “provision should be made to allow for an average aggregate of 250 new homes per year to be created over the statutory life of each successive revised Plan”.
- 8.3.4 Whilst the benchmark target of 250 additional new homes each year should be retained, it is acknowledged that the analysis of the housing target needs closer examination, definition and refinement. In assessing the supply and demand for

housing the IDC shall be guided by forecasts of demand in the Strategic and Corporate Plan, or its reviews.

***Strategic Policy 1***

***Provision will be made for an additional 250 new homes each year.***

8.3.5 The above policy sets out the additional housing provision that may be required in the period 2001-2016. These figures are provided as guidance for development plan preparation and infrastructure provision only and will require to be monitored on an annual basis and reviewed.

8.3.6 Better definition of the housing requirement with respect to the population age profile, household composition and unfulfilled demand should be aimed at establishing more closely the particular needs in terms of housing type, size and tenure. The present target of 250 additional homes each year is, therefore, expected to require adjustment in future years.

***Strategic Policy 2***

***The housing requirement will be subject to regular monitoring and review.***

**Location of development**

8.3.7 To accord with the development strategy's objectives and strategic themes, policies for housing development aim to steer demand to appropriate locations within existing settlements. The development strategy seeks to achieve as much new housing as practical and possible within the existing urban areas and on previously-developed land, in order to minimise the amount of development which will be needed on open and undeveloped sites.

***Strategic Policy 3***

***The majority of this provision should be within the Urban Area.***

8.3.8 In order to encourage regeneration of the existing urban areas and to get development in place on previously developed land it is essential to control the release of new open and undeveloped land. Housing Target Areas may be identified in the Urban Area Plan but these should only be released for development when the States are satisfied that there are no reasonable options available for development within the existing built-up areas.

8.3.9 In order to meet the principles of sustainable development any new Housing Target Areas should conform to a number of general criteria. These include:

- Sites should be well related to the existing pattern of development, with access to local facilities.
- Sites should be capable of being served by good public transport as an alternative to the private car.
- There should be no detrimental effect on important landscape, conservation, wildlife or other environmental concerns.
- Appropriate infrastructure can be provided in a sustainable manner.

**Strategic Policy 4**

***Greenfield sites may be allocated as Housing Target Areas but land allocated as such will only be released for development if it can be demonstrated that there is a clear need for additional greenfield development. The release of such land should be phased to give firm priority to potentially suitable or available land within built-up areas.***

**Making the best use of sites in urban areas.**

- 8.3.10 The spread of housing development across the countryside is one of the most potent symbols of perceived environmental damage. Although to meet the anticipated household growth some greenfield land will need to be developed it will be a priority to seek to achieve as much new housing development within the existing built-up areas as possible. It is important that opportunities are taken to re-use previously developed sites and the potential to convert and re-use derelict or vacant buildings should be thoroughly explored.
- 8.3.11 Land within the urban areas is likely to have, or be capable of being provided with good public transport links, and good links to footpath and cycleway networks, all of which are important to encourage less use of the private car.
- 8.3.12 To reduce the land-take impact of new development an economical use of limited land resources is desirable. One way to maximise the number of dwellings that can be accommodated within existing urban areas is to design housing schemes to achieve the highest number of dwellings on a site without detriment to the quality of urban life.

**Strategic Policy 5**

***Housing development should be of a type and design to achieve as high a density as compatible with achieving good standards of accommodation and residential amenity, particularly in areas well served by public transport and other services and facilities. The density of housing should take account of:***

- ***The trends in the size of households, particularly towards smaller households.***
- ***The need for good design.***
- ***The need for mixed use in appropriate locations.***
- ***The provision of open space and landscaping.***
- ***The reduced need for parking provision and road space.***

**Affordable housing**

- 8.3.13 'Affordable' housing is intended to meet the needs of local people who for financial reasons are unable to compete for accommodation in the open housing market. It is clear the operation of the housing market is not responding adequately to these needs. The solution to these issues does not lie solely with land use planning but will require innovative initiatives by the public and private sectors.

8.3.14 Where appropriate, the States will identify levels of housing need, indicate overall targets for the provision of affordable housing, and determine specific requirements for development.

8.3.15 The pursuit of housing that is affordable should not result in housing that is of poor standard or offers inadequate amenities. Affordable housing does not mean housing of poor quality or design. This is becoming an increasingly significant issue as the focus shifts to higher density schemes in the Urban Area. Low standards of amenity and a lack of parking may have undesirable environmental and social consequences for the Town that could undermine its attractiveness as a place to live.

#### ***Strategic Policy 6***

***Detailed Development Plans will include policies to facilitate the provision of affordable housing where the need is identified. In this context, affordable does not mean substandard, but should be well designed, of a size which matches household size, with adequate standards of amenity.***

#### **Buildings suitable for re-use as housing**

8.3.16 A significant amount of surplus accommodation exists which is of a lower standard and is no longer economically viable for its former use. For example, tourism policy is primarily aimed at the encouragement of higher spending tourists rather than a major increase in tourist numbers. Therefore, some lower standard tourism accommodation is being released from the sector, which is capable of being refurbished as housing.

#### ***Strategic Policy 7***

***Encouragement will be given to the re-use of surplus accommodation for housing purposes. This will enable its conversion and subsequent sale or rent as sheltered accommodation, residential or nursing homes and staff hostels.***

#### **Special needs**

8.3.17 Housing quality and the ability to gain access to housing are key elements of meeting the strategic objectives and housing needs of people. The importance of housing which meets the needs of all sectors of society in contributing to the overall wellbeing and sustainable development of balanced communities is recognised. Two aspects are particularly important – affordability and the ability to accommodate a range of housing needs for all members of the community, including elderly people and those with disabilities.

8.3.18 The second aspect is particularly important to meet the existing and changing needs of all members of the community, including those of the ageing population. It is already known, for example, that there is under-provision of sheltered housing for the elderly. Measures have already been taken to facilitate the development of such housing, but further research and analysis will be required to determine the extent of such provision and to devise suitable mechanisms for ensuring that sheltered housing is accessible to those who need it. To ensure such housing is capable of meeting the changing needs of households the quality of design is crucial. The siting of this housing on flat ground, close to shops, other amenities and public transport links is also particularly important.

- 8.4.2 Investment in new office schemes should be associated with improvements to the environment and accessibility; a greater diversity of uses, including housing and improved leisure and retail facilities; and should not increase traffic congestion or displace other essential uses.

**Strategic Policy 10**

***The refurbishment of the existing office stock in the Town should be encouraged. New office development may be facilitated on redevelopment sites to secure a more diverse mix of uses including housing, subject to safeguarding the character of the Town.***

**Office based industry**

- 8.4.3 A significant recent trend in employment generation has been the development of activities that cross the boundary between traditional industrial and office use. Such activities include data processing, software development, telemarketing, research and development, information technology, etc. Forecasts from GMEx and others suggest that significant employment opportunities exist in these sectors and demand exists for suitable sites and buildings.

**Strategic Policy 11**

***The IDC should encourage a comprehensive range of accommodation to meet the needs of manufacturing and service employers.***

**Industrial land supply**

- 8.4.4 The general industrial land supply represents an important base for economic development. This land provides accommodation for the development of local business initiatives as well as providing yard and storage space and is vital to the long-term health of the economy. Detailed Development Plans should, therefore, seek to maintain an adequate supply of local industrial land and to manage that supply flexibly.

**Strategic Policy 12**

***To ensure an adequate supply of industrial land in terms of location, size and quantity, the Detailed Development Plans will identify a range of opportunities for industrial development.***

**Small-scale business development**

- 8.4.5 A major aspect of the development strategy is to assist in the creation of small-scale economic activity to provide employment opportunities. The IDC will, therefore, work with the Board of Industry in seeking to encourage and create the conditions to develop local business opportunities and to diversify the local economy. This would include supporting the provision of small-scale business development, in appropriate locations. The cumulative impact of such developments must, however, be considered.

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**Strategic Policy 13**

***Provision may be made for the development or extension of small-scale businesses in appropriate locations.***

**Horticulture**

- 8.4.6 With notable exceptions, the horticultural industry is contracting and significant areas of glass remain uncropped. In terms of the overall area under glass, therefore, there remains no requirement to make provision for any net or overall increase in the area of land which may be used for horticulture. In order to permit the continued rationalisation of land holdings, however, development or redevelopment on existing holdings will be permitted in those cases where the IDC and the Committee for Horticulture jointly recognise that greenhouse or related horticultural development will make a valuable and needed contribution to the industry and is likely to continue to do so for the foreseeable future, by virtue of the site's suitability for commercial operations.

**Strategic Policy 14**

***In order to permit the continued rationalisation of land, development or redevelopment on or adjacent to existing holdings may be permitted in those cases where the IDC and the Committee for Horticulture jointly recognise that greenhouse or ancillary horticultural development will make a valuable and needed contribution to the industry and is likely to continue to do so for the foreseeable future, by virtue of the site's suitability for commercial operations.***

**Land reclamation areas**

- 8.4.7 The Strategic and Corporate Plan supports the role of the ports and accepts the need to identify land for future port use and development by port related industry. Existing reclamation areas and future expansion at St. Sampson's Harbour will be concentrated on upgrading infrastructure in order to cater for the anticipated growth in future traffic flows.
- 8.4.8 The aim of Policy SP15 is to preserve the land reclamation areas at St. Sampson for those activities that will benefit from the unique location. Such activities include those with a high environmental impact and which are of strategic importance.

**Strategic Policy 15**

***Priority should be given to port related industrial development and activities with a high environmental impact in existing and future land reclamation areas at St Sampson's Harbour.***

**Development requiring an airport location**

- 8.4.9 The Plan encourages the future development of the Airport but only by businesses and industries that require an airport location. The land surrounding the Airport is by definition, scarce and in a rural area of the Island. A range of other industrial locations will be identified for other companies that do not require an airport location.
- 8.4.10 The IDC will identify those types of 'airport related' uses which are acceptable in the Detailed Development Plan.

**Strategic Policy 16**

***In reviewing the Rural Area Plan, consideration may be given to provision for development requiring accommodation at or adjacent to the Airport.***

**Tourism**

**Tourist related developments**

- 8.4.11 The Strategic Land Use Plan recognises the employment potential of tourism in the local economy. Many of the policies and objectives of the Plan have as their ultimate aim the protection and enhancement of the natural and built environments, which are such an attractive feature of the Island and an important element in terms of promoting tourism. The Tourist Board has prepared a strategy for the development of the tourism sector.

**Strategic Policy 17**

***Provision may be made for tourist related developments, taking into account the objectives for tourism set out in a strategy for tourism in Guernsey.***

**Tourist accommodation**

- 8.4.12 The viability of tourism depends, amongst other things, on the maintenance of sufficient, good quality visitor accommodation to meet demand and to sustain the standard and frequency of air and sea links to the Island which are also essential to the economic and social wellbeing of the community as a whole.

**Strategic Policy 17(A)**

***The Detailed Development Plans will include policies to ensure that an adequate stock of visitor accommodation is maintained in the interests of sustaining the future viability of tourism.***

**8.5 ATTRACTIVE CENTRES OF ACTIVITY**

**“Reinforcing the role of the Town and the Bridge”**

- 8.5.1 There is increasingly a requirement to focus attention upon the main town centre of St. Peter Port to reinforce its Island role in ways that enhance its unique character, and to ensure that development elsewhere does not dilute that role or further reduce its vitality and viability.
- 8.5.2 Both the town centre of St. Peter Port and the Bridge are focal points for a range of community, leisure, and commercial activity. The Town contains significant elements of built heritage in terms of both individual listed buildings and conservation areas. Focusing demand for services toward these centres will ensure continuing investment in the urban fabric.
- 8.5.3 The Town is facing rising pressures on the historic physical fabric, excessive traffic and the displacement of traditional local shops, which are an important element in the character of the Town. These pressures need to be managed in order to reduce traffic congestion, conserve the historic character and mix of shopping and other activities

while attracting necessary investment in maintaining the physical fabric, and up-dating the facilities and general amenity of the Town.

8.5.4 A public/private sector 'Town Centre Partnership' is being formed to coordinate a multi-agency approach involving The Chamber of Commerce, The St. Peter Port Traders, The Douzaine, States Departments and other key interests. In these circumstances a positive vision, an agreed strategy and associated action plan accompanied with the ongoing monitoring of the condition of the centre are essential.

8.5.5 The IDC will seek to maintain and enhance the attractiveness of the Town with appropriate policies incorporated into Detailed Development Plans or other corporate policy documents and possibly by way of public/private sector initiatives.

### **Strategic Policy 18**

***The States will seek to instigate measures and support projects for the Town and the Bridge that:***

- ***Encourage a wide range of retail, commercial, leisure, business, culture and arts facilities and residential uses.***
- ***Promote the reuse of vacant buildings.***
- ***Retain and increase residential accommodation.***
- ***Promote environmental improvement.***
- ***Safeguard the historic character.***
- ***Improve pedestrian and cycle access, improve public transport links and provide for appropriate levels of car parking.***

8.5.6 Implementation of this policy will involve a combination of strict control over the scale and nature of any new development to secure the conservation of the historic built environment, and safeguard the diversity of activity; and/or action by the States, in conjunction with other agencies, including local residents and traders, to secure improvements to the shopping environment.

### **Local centres**

8.5.7 The provision of local shops and services is important in providing for local needs and reducing the need to travel. Facilities which are readily accessible by walking, cycling and public transport and which provide for day-to-day needs make an important contribution to the overall sustainable development strategy of the Plan. It is important that local facilities are of a scale that is consistent with the function and character of the local centre so as to meet local needs.

### **Strategic Policy 19**

***The retention and improvement of local shopping facilities and services, may be supported, provided that the development is of a scale consistent with the function and character of the local centre.***

#### **Large scale retail developments**

- 8.5.8 Although the plan is aiming to direct development to the existing centres, there may be circumstances where retail development may be acceptable elsewhere. It should be possible in many cases to locate these types of development in the allocated areas at Le Bouet and at Leale's Yard, or in other appropriate edge of centre locations. If there are no such sites available, and there is an acknowledged demand for the development concerned, then other suitable sites, having regard to the Board of Industry's forthcoming Rural Retail Policy, may be considered.
- 8.5.9 For instance, certain types of specialist retailer such as DIY stores and garden centres need extensive space and have particular site and locational requirements. These cannot always be met within existing centres. Nevertheless, the potential urbanising effect of such developments needs to be recognised.

### **Strategic Policy 20**

***Where there is an acknowledged demand which can reasonably be provided within the Island for out-of-town retail developments, additional provision may be made provided that the vitality and viability of any commercial centre would not be undermined and the local environment would be improved.***

## **8.6 EXTERNAL TRANSPORT LINKS**

### **Harbours**

- 8.6.1 Ports and harbours fulfill an important role in the economy. This has already been recognised by Policy SP15. St. Sampson's is the main strategic port offering opportunities for further growth, both in terms of trade and development land, and should be safeguarded against inappropriate development. Similarly, port-related development should not be constrained by the inappropriate use of land immediately adjacent to the port areas and Detailed Development Plans should reflect this accordingly.

### **Strategic Policy 21**

***A strategy for the future roles and development of the Harbours should be prepared and kept under review. The Urban Area Plan should accommodate proposals for the development and promotion of the Harbours together with their associated land uses.***

### **Airport**

- 8.6.2 Guernsey Airport is a major asset for the future of the Island's economy. This is recognised in part by Policy SP16. However, any expansion of airport-related facilities at Guernsey Airport will impact upon the local environment. Any future development or operational changes, therefore, requires careful consideration and, within the context of an overall strategy, should be related to specific demands, and the prospects for growth at the Airport, as well as to the development of unused land both within the Airport itself and in the surrounding area.

**Strategic Policy 22**

***The provision of airport-related facilities for Guernsey Airport may be supported, provided that adequate measures are taken to mitigate any harmful environmental consequences of the Airport's operation.***

**8.7 SUSTAINABLE WATER AND WASTE MANAGEMENT****Water resources**

8.7.1 Since 1992, the Water Board's management of water resources has been based on the following objectives:

- Increasing the water catchment to practical economic limits.
- Increasing the water storage capacity (although the Board estimates a requirement for at least a further 1,000 megalitres of storage. Les Vardes and St Andrew's Quarries offer the most significant storage opportunities for reserves).
- Development of the abstraction and transfer infrastructure to provide a comprehensive raw water grid linking 21 stream sources to 15 reservoirs and 3 treatment works.
- A water conservation and leak reduction programme.
- Improvements in stream water quality, by reducing nutrient pollution from agriculture and horticulture.
- Researching the availability of the groundwater supplies.

8.7.2 Although the probability of a serious and sustained drought is low, rising demand and the uncertainties of climate change bringing a prolonged period of exceptionally low rainfall, give the Board sufficient cause for concern to recommend a contingency plan to provide the security of water supplies in the event of extreme circumstances.

8.7.3 The Board's contingency plan would require an area of land on which a desalination plant could be constructed within a maximum of 12 months. Subject to approval of such a plan by the States, and provided the site and construction plans were readied in advance, the plant itself would not be constructed until made necessary by the onset of a severe drought which could otherwise exhaust the available reserves of water in storage.

**Strategic Policy 23**

***In order to conserve potable water resources, the efficient use and re-use of all available sources of water should be maximised.***

**Surface water drainage**

8.7.4 The St. Sampson's Marais catchment forms a major part of the surface water drainage system of the Urban Area, and is of immediate interest in relation to the development of the Belgrave Vinery site. In effect, the St. Sampson's Marais represents 20% of the Island's water catchment and steps need to be taken to ensure that the amount of

water directed to the public supply from this catchment is protected and, if possible, enhanced.

- 8.7.5 In this regard the States will promote a policy of Sustainable Urban Drainage, by the incorporation of Best Management Practices acceptable to the relevant authorities, with a view to dealing with runoff from the projected developments, preventing the flooding of these and other developments, and maximising the quantities of water recovered for the public supply.

**Strategic Policy 24**

***The effect of development on the aquatic environment shall be managed by the use of Sustainable Urban Drainage Systems, incorporating Best Management Practices at appropriate developments.***

**Flood management**

- 8.7.6 It will be necessary for the risk of flooding in all low-lying land within the Urban Area Plan to be carefully assessed against a range of flood events so that preventative measures may be adopted, where necessary. A further concern is the possible rise in sea levels resulting from climatic changes. While estimates vary as to the timescale during which this might occur, it is clear that additional coastal protection measures may well be necessary in due course and priorities might need to be reassessed in some areas. This makes flooding events increasingly difficult to predict and reinforces the need for a precautionary approach.
- 8.7.7 Notwithstanding the above, there must be an element of risk tolerance in flood management especially in the Urban Area. The nature of the risk in any given circumstance must be weighed against competing economic, employment, social, environmental or recreation benefits that might accrue. There may be instances therefore, where the planning benefits of placing buildings or services in vulnerable locations may outweigh the risks from flooding.

**Strategic Policy 25**

***The risk of flooding of all low-lying areas shall be carefully assessed and taken into account in planning for new development.***

**Waste water**

- 8.7.8 In 1997 (Billet d'Etat XI) and 1999 (Billet d'Etat XI), the States resolved a number of issues and actions leading to the adoption of strategies for the disposal, reduction and management of liquid wastes in accordance with strategic policy on the environment, as an alternative to total reliance on disposal by long sea outfall and cess pits. The States acknowledged that new wastewater treatment works would be required to achieve these objectives.

**Strategic Policy 26**

***The identification of sites for sewage treatment works may be incorporated into the relevant Detailed Development Plans and technical assessments of methods of sewage treatment shall be taken into account in the identification of those sites.***

**Solid waste**

- 8.7.9 Following consideration of the options and policies for the disposal of solid waste, a Solid Waste Strategy was adopted by the States in 1998 (Billet d'Etat XII).
- 8.7.10 The Strategy is founded on the assessment that Les Vardes Quarry is unsuitable for the disposal by landfill of putrescible waste and that the principal means of disposal of solid waste should be through a Waste-to-Energy plant.
- 8.7.11 The IDC was directed to identify appropriately located sites for the collection, sorting, transfer and recycling of solid wastes.
- 8.7.12 The Board of Administration was directed to review the charges for the collection and disposal of all Island wastes and to prepare a Waste Disposal Plan, pursuing the feasibility of commissioning a Waste-to-Energy plant for intended operation in 2002.
- 8.7.13 The Advisory and Finance Committee was directed to commission environmental impact assessments of suitable sites for the location of a Waste-to-Energy plant, including any Materials Recovery Facility, waste sorting, separation and transfer operation etc.

**Strategic Policy 27**

***Specific provision for sites for the disposal and ancillary operations relating to solid waste, in accordance with strategic policy on the environment, the principles of the Solid Waste Strategy, and revised environmental health legislation, should be investigated with a view to commencing implementation of infrastructure in 2000.***

**8.8 ACCESSIBLE SOCIAL, RECREATION & COMMUNITY FACILITIES**

**“Making maximum use of existing resources”**

- 8.8.1 There is already considerable use of education facilities such as playing fields, swimming pools, the assembly halls and classrooms by members of the local community outside of school hours. There is further scope for the use of education facilities though not all schools are suitable. When new schools are built, this provides an opportunity to include additional facilities, which can be used by schoolchildren and the public.

**Strategic Statement 28**

***Measures designed to make maximum use of existing facilities may be supported, with particular emphasis on the joint provision and dual use of education facilities for leisure purposes.***

**Coordinated social recreation and community provision**

- 8.8.2 The planned provision of adequate social, recreation and community facilities requires a strategy, which assesses demand in relation to existing provision, so that need can be identified. The Education Council, Board of Health and Recreation Committee have all identified certain indicative needs, but further work is required to arrive at a more refined position. There is scope to promote further coordinated provision of new or improved community facilities.
- 8.8.3 It will be for the Detailed Development Plans to identify where existing facilities should be retained and where new facilities should be provided.

**Strategic Statement 29**

***The States will seek a strategic approach to the provision of social, recreation, and community facilities by assessing needs (including social needs) and local demand (including latent demand). The Detailed Development Plans will make provision for the protection, enhancement, and new development of such facilities.***

**8.9 COUNTRYSIDE**

**Landscape**

- 8.9.1 The Island contains a variety of different landscapes ranging from coastal landscapes of cliffs and bays, to the lowland landscapes of marais and hougues, and the upland landscapes of valleys and escarpments. The distinctive character for each of these different areas must be maintained and enhanced, and new development should contribute to that character.

**Strategic Policy 30**

***Priority may be given to protecting and enhancing the quality and amenity of the Island's landscapes.***

**Wildlife and Nature Conservation**

- 8.9.2 The Island contains a wide variety of ecological habitats. These range from unimproved grassland and orchid meadows to reedbeds and water filled quarries. The protection and enhancement of ecological habitats will maintain the diversity of the countryside and encourage visitors.

**Strategic Policy 31**

***The IDC should seek to identify landscapes of particular ecological importance, and to ensure the protection and enhancement of such areas by encouraging appropriate management schemes.***

**Rural Development**

- 8.9.3 A viable farming industry is essential to the protection of countryside character and quality. However, farming can have less desirable environmental impacts and there are past instances of, for example, landfill and the removal of hedgebanks. Nevertheless, agriculture makes use of approximately 10,000 verges of land, which represents 26% of the total land area and 65% of open land. Farming practices therefore can have a serious impact on the character of the countryside.
- 8.9.4 The policy of the States are that the rural environment should be conserved and enhanced. This does not mean keeping the status quo but finding ways of improving the character and quality of the countryside. Acceptable forms of rural development should be accommodated, but recognising that any benefits to the community must not be at the unreasonable expense of landscape, nature conservation or historic interests. All agencies involved in rural areas should be encouraging the continuation of good land management practices with emphasis given to conservation.

**Strategic Policy 32**

***The character, appearance and amenity of the countryside will be improved and enhanced by:***

- ***Locating new development within the existing built-up area wherever possible.***
- ***Preventing development which does not need to be located in the countryside.***
- ***Encouraging opportunities to extend and improve wildlife habitats on farmland, for example through additional tree planting, retaining and creating new hedgerows, and creating new wetlands.***
- ***Protecting agricultural land from irreversible development wherever possible.***
- ***Considering development proposals in the countryside on the basis of their environmental, economic and agricultural implications, and how they can enhance countryside quality.***

**Derelict land**

- 8.9.5 Many parts of the rural area have suffered from the decline of horticulture resulting in large areas of derelict and unused land. The annual horticultural census that surveys all commercial sites over 200 feet of glass identified 163 verges of derelict glass remaining in the Island. Some substantial areas of derelict land have been reclaimed through clearance schemes organised by the Board of Industry and its predecessors.

- 8.9.6 It is clearly essential that areas of derelict land should be reclaimed and restored. Opportunities should be taken to reinforce and enhance the landscape character of the area, and to provide new recreational amenities and wildlife habitats.

***Strategic Policy 33***

***Derelict and disused land should be reclaimed with priority given to sites that have a major impact on local residents, and the image of the Island for potential investors and tourists. Restoration and after-use of derelict land should have regard to overall setting, landscape character, and potential for creating new habitats.***

**8.10 MONITORING AND REVIEW**

- 8.10.1 Monitoring is an essential part of the planning process. The assumptions and forecasts, which underpin the Plan, will require continued assessment to detect any fundamental changes that impact upon the policies in the Plan.
- 8.10.2 The Advisory and Finance Committee already undertakes extensive monitoring work as part of its commitment to the Policy and Resource Planning process. With the advent of information technology it is now easier to collect and process the information needed for effective monitoring than it was in the past (e.g. collating land availability information and updating population trends). However, monitoring is more than just the collection of raw data, it also involves in-depth analysis and evaluation. It is a continuous activity, which serves to identify the changes that are occurring and establishes how these changes vary from the intended position. This enables the effectiveness of policies to be judged and their success or otherwise to be measured. Any new system must include qualitative as well as quantitative assessments and seek to build a closer working relationship between States Committees and with private sector partners.
- 8.10.3 The table below is a recommended framework for monitoring the seven strategic themes of this Plan.

Strategic Theme	Comments
Housing	The States have already decided that the IDC/Housing Authority should monitor the Island's housing requirements, including the effectiveness of the States policies in the provision of affordable housing.
Employment	A series of economic assessments was previously undertaken with a view to providing a like-for-like comparison of the contribution of each sector to the economy. The Advisory and Finance Committee is committed to undertaking a further integrated round of economic assessment to update and improve the information gathered so far.
Centres	The Town Centre Partnership is committed to the preparation of a Town Centre Health Check as a means of establishing and continuously monitoring the Town's performance.
Transport Links	The operational requirements, capacity and performance standards of the Airport and harbours shall be kept under review.
Waste and Water	Waste arisings and the proportion of waste diverted from landfill shall continue to be monitored. The Water Board shall continue to report on the volumes of water recovered and the incidence of pollution.
Social, Recreation and Community	A comprehensive audit and needs assessment of social, recreation and community facilities should be undertaken.
Countryside	The Phase 1 Habitat Survey commissioned by the IDC/Board of Administration provides a useful baseline to measure the extent of habitats. Also, the annual agricultural and horticultural census should enable the area of land in use to be assessed and any losses to be accounted for.

## Section 9 RECOMMENDATIONS

The Advisory and Finance Committee recommends the States:

1. To re-affirm the Core Principles set out in Part 1 Section 2.2.4 of this Report as guidance for upholding the good reputation of the Island as an offshore financial centre. (These remain unchanged from those agreed by the States as part of the Strategic and Corporate Plan in July 2000).
2. To re-affirm approval of the **States Strategic Objectives** (previously contained in the Strategic and Corporate Plan) as set out in Part 1 Section 2.6 of this Report, (these were previously contained in the Strategic and Corporate Plan and remain unchanged from those agreed by the States as part of that Plan in July 2000).
3. To approve the **States Corporate Practices** (previously contained in the Strategic and Corporate Plan) as set out in Part 1 Section 2.7 of this Report. (These remain unchanged from those agreed by the States as part of the Strategic and Corporate Plan in July 2000, except for the following amendments:
  - (i) **Information Technology Policies** - amended text in paragraph 2.7.4 to reflect the Committee's intention to review this policy and report back to the States with the results;
  - (ii) **Corporate Governance, Risk Management and Disaster Recovery** –the text in this sub-section (paragraphs 2.7.6 to 2.7.8) is new this year).
4. To instruct the Advisory and Finance Committee to review the arrangements for the corporate prioritisation of major States projects and policy initiatives, and to prepare a corporate property plan for consideration by the States (paragraph 2.8.17).
5. To approve the **States Corporate Policies** on Population, Energy and Law and Order (previously contained in the Strategic and Corporate Plan) as set out in Part 1 Section 2.9 of this Report. (These differ from those agreed by the States as part of the Strategic and Corporate Plan in July 2000 in the following respects:
  - (i) The Population Policy has been revised as set out in paragraph 2.9.6.
  - (ii) In addition the States Housing Authority has revised its policies in administering the Housing Control and Right to Work Laws, as set out in paragraphs 2.9.7.
  - (iii) The Energy Policy has been amended to delete the imposition of the four year payback period for expenditure on new installations as set out in paragraph 2.9.15.
  - (iv) The role of the Board of Administration in regard to Energy Management will change to that of an audit function, reporting to the States on a regular basis, as set out in paragraph 2.9.14).
6. To note the Committee's intentions with regard to measuring the impact of States policies, including the establishment of Headline Indicators of Sustainable Development, as set out in Part 1 Section 3.2 of this Report.
7. To vote the States Advisory and Finance Committee the sum of £100,000 for Corporate IT Projects, such sum to be taken from that Committee's allocation for capital expenditure.
8. To approve an increase of £150,000 in the revenue expenditure budget for 2001 of the States Advisory and Finance Committee – General.
9. To approve an increase of £1,100,000 in the revenue expenditure budget for 2001 of the States Advisory and Finance Committee – Strategic and Corporate Measures.

10. To approve an increase of £300,000 in the revenue expenditure budget for 2001 of the States Agriculture and Countryside Board.
11. To approve an increase of £800,000 in the revenue expenditure budget for 2001 of the States Board of Industry.
12. To approve an increase of £100,000 in the revenue expenditure budget for 2001 of the States Heritage Committee.
13. To agree that the overall level of ordinary expenditure on the General Revenue Account for 2002 shall not, except in so far as any excess shall arise by reason of increases in formula led costs:
  - (i) Exceed in aggregate the sum of £234,720,035.
  - (ii) Exceed in aggregate as respects each committee, the total sum stated against the name of that committee in the table in paragraph 5.3.13 of this Report.
14. Notwithstanding item 13 above, to grant the Advisory and Finance Committee delegated authority to increase the revenue expenditure budget for 2002 of the Liberation Celebrations Committee by a sum of up to £15,000.
15. To agree that the States shall not, before 31 December 2004, consider requests for votes of expenditure on capital projects chargeable to the General Revenue Account other than requests for votes from the remaining balances of allocations already made by the States:
  - (i) Exceeding in aggregate the sum of £21,345,000.
  - (ii) Exceeding in aggregate as respects each committee, the amount stated against the name of that committee as a recommended allocation in paragraph 5.4.11 of that Report.
16. To vote the Advisory and Finance Committee a credit of £60,000 to cover the additional costs of the major maintenance programme at Government House, such sum to be taken from the Committee's allocation for capital expenditure.
17. In respect of the Victoria Marina wave attenuation gates pursuant to States Resolution XXVIII of 1 October 1992 to sanction the situation and the overspending of £3,558.06 on that vote and agree that it be charged to the Ports Holding Account.
18. In respect of the redevelopment of Le Marchant Villas pursuant to States Resolution XIV of 13 February 1991 to sanction an overspending of £102,285 on that vote and agree that it be charged to the Housing Development and Loan Fund.
19. To note the Human Resources Plan as set out in Part 2 Section 6 of this Report.
20. To note the Information and Communications Technology Resource Plan as set out in Part 2 Section 7 of this Report.
21. To approve the "Strategic Land Use Plan" as set out in Part 2 Section 8 of this Report as the Strategic and Corporate Plan for the purposes of the Island Development Laws and all other legislation and instruments referring to that Plan.
22. To approve the revised expression of the mandate of the States Board of Administration and the revised mandate of the Guernsey Transport Board as presented in Appendix 1 of this Report.

## APPENDIX I

### Restatement of Committee Mandate

The States are requested to approve the restatement of the mandate of the Board of Administration as set out below. The mandate is set out in the common format agreed by the States following consideration of the 1997-1999 Policy and Resource Planning Reports.

#### BOARD OF ADMINISTRATION

(a) To advise the States on matters relating to:

- **Property Services**

The administration of property services on behalf of most General Revenue Committees and other bodies including those scheduled below (1).

- **Public Land Management**

The protection and enhancement of the natural environment of a wide range of States owned land including those areas scheduled below (2).

- **Ports/Customs/Immigration Services**

The provision and administration of port facilities in respect of Guernsey's airport and harbours together with Alderney's airport.

The maintenance of Alderney Breakwater.

The administration of controls over immigration and the import and export of goods, the registration of shipping and the collection of imports and import duties.

- **Environmental Services**

The provision of environmental services including those scheduled below (3).

The provision and administration of a Direct Labour Organisation.

- **Insurance and Risk Management**

The insurance and management of risks to States' assets.

- 1) Foulon cemetery and crematorium, public conveniences, States markets and Herm.
- 2) Sites of nature conservation importance, cliff paths, beaches, headlands and other public areas and parks, gardens and plantations.
- 3) Waste management, energy management, the management of environmental emergencies, control of essential commodities and receivership of wrecks.

- (b) To develop, present to the States for approval and to implement policies on the above matters for the provision of services, introduction of legislation and other appropriate measures which contribute to the achievement of strategic and corporate objectives.
- (c) To exercise the powers and duties conferred on it by extant legislation and States resolutions.
- (d) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to it.

### **Revised Committee Mandate**

The States are requested to approve the revised mandate of the Guernsey Transport Board as set out below.

#### **GUERNSEY TRANSPORT BOARD**

- a) To advise the States on matters relating to:
  - The promotion, provision and regulation of air and sea links to and from the Bailiwick including liaison with other jurisdictions.
- b) To develop, present to the States for approval and to implement policies on the above matters for the provision of services, introduction of legislation and other appropriate measures which contribute to the achievement of strategic and corporate objectives.
- c) To exercise the powers and duties conferred on it by extant legislation and States resolutions.
- d) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to it.

## APPENDIX II

### Committee/Department Projections of Five Year Manpower Requirements

Posts within Staff Number Limitation Policy <sup>1</sup>	Establishment at end of 31/12/2000	Projections of end of year Establishment Requirement					Change end 2000 end 2005 (FTE)
		2001	2002	2003	2004	2005	
FTE = Full Time Equivalents	(FTE)	(FTE)	(FTE)	(FTE)	(FTE)	(FTE)	(FTE)
<b>Advisory and Finance Committee</b>	129.08	133.72	134.72	134.72	134.72	134.72	5.64
<b>Bailiff's Office</b>	8.54	8.54	8.54	8.54	8.54	8.54	0.00
<b>H M Greffier's Office</b>	24.17	24.17	24.17	24.17	24.17	24.17	0.00
<b>H M Procureur's Office</b>	19.42	21.42	21.75	21.75	21.75	21.75	2.33
<b>H M Sheriff's Office</b>	9.82	9.82	9.82	9.82	9.82	9.82	0.00
<b>Agriculture and Countryside Board</b>	49.97	49.97	49.97	49.97	49.97	49.97	0.00
<b>Board of Administration</b>	523.59	525.59	525.59	525.59	537.59	539.59	16.00
<b>Board of Health</b>	1437.78	1448.47	1521.32	1545.81	1566.88	1592.91	155.13
<b>Board of Industry</b>	23.06	37.27	39.27	39.27	39.27	39.27	16.21
<b>Cadastre Committee</b>	6.49	6.49	6.49	6.49	6.49	6.49	0.00
<b>Children Board</b>	98.60	98.60	98.60	98.60	98.60	98.60	0.00
<b>Civil Defence Committee</b>	1.75	1.75	1.75	1.75	1.75	1.75	0.00
<b>Civil Service Board</b>							
<b>Administration</b>	22.00	22.00	22.00	22.00	22.00	22.00	0.00
<b>Junior Executives and Trainees</b>	20.00	20.00	20.00	20.00	20.00	20.00	0.00
<b>Education Council</b>	805.87	846.88	861.58	880.18	881.68	881.68	75.81
<b>Gambling Control Committee</b>	1.00	1.00	1.00	1.00	1.00	1.00	0.00
<b>Guernsey Social Security Authority</b>	109.17	110.17	110.17	110.17	110.17	110.17	1.00
<b>Heritage Committee</b>	22.50	22.50	22.50	26.50	26.50	26.50	4.00
<b>Committee for Home Affairs</b>							
<b>Police <sup>2</sup></b>	39.33	41.33	41.33	41.33	41.33	41.33	2.00
<b>Fire Brigade</b>	70.56	70.56	70.56	70.56	70.56	70.56	0.00
<b>Prison</b>	63.00	65.00	65.00	72.00	72.00	72.00	9.00
<b>Committee for Horticulture</b>	30.52	20.81	20.81	20.81	20.81	20.81	(9.71)
<b>Housing Authority</b>	92.94	93.94	95.94	102.75	102.75	102.75	9.81
<b>Income Tax Authority</b>	85.34	85.34	85.34	85.34	85.34	85.34	0.00
<b>Island Development Committee</b>	43.56	43.56	43.56	43.56	43.56	43.56	0.00
<b>Probation Service Committee</b>	7.00	7.00	7.00	7.00	7.00	7.00	0.00
<b>Public Assistance Authority</b>	12.92	12.92	12.92	12.92	12.92	12.92	0.00
<b>Public Thoroughfares Committee</b>	40.69	40.69	40.69	40.69	40.69	40.69	0.00
<b>Sea Fisheries Committee</b>	4.56	5.00	5.00	5.00	5.00	5.00	.44
<b>States Traffic Committee</b>	25.00	25.00	25.00	25.00	25.00	25.00	0.00
<b>Tourist Board</b>	31.67	30.67	30.67	30.67	30.67	30.67	(1.00)
<b>Recreation Committee</b>	89.40	89.40	89.40	89.40	87.40	87.40	(2.00)
<b>Water Board</b>	86.00	86.00	86.00	87.00	87.00	87.00	1.00
<b>Electricity Board<sup>3</sup></b>	264.80	-	-	-	-	-	-
<b>Post Office Board<sup>3</sup></b>	203.50	-	-	-	-	-	-
<b>TOTALS<sup>4</sup></b>	<b>4503.60</b>						
<b>Less Electricity and Post staff</b>	<b>4035.30</b>	<b>4105.58</b>	<b>4198.46</b>	<b>4260.36</b>	<b>4292.93</b>	<b>4320.96</b>	<b>285.66</b>
<b>Number of Police Officers</b>	177	177	177	177	177	177	0.00

1. Excludes States of Guernsey staff working in Alderney and Sark.
2. Number of Police Officers set by States and not included in SNLP.
3. Electricity and Post Office Boards excluded from 5 year projection pending Commercialisation.
4. Telecommunications Board excluded from SNLP from March 2000 by States Resolution of January 2000.

## APPENDIX III

Establishments of Staff as at 31 December 1999 of Committees/Departments covered by States Staff Number Limitation Policy (see footnote)

FTE = Full Time Equivalents	Established Staff Establishment (FTE)	Non-Established Staff Establishment (FTE)	Total Establishment (FTE)
Advisory & Finance Committee	128.08	-	128.08
Bailiff's Office	4.00	4.54	8.54
H.M. Procureur's Office	17.42	0.62	18.04
H.M. Greffier's Office	21.17	-	21.17
H.M. Sheriff's Office	9.00	0.26	9.26
Agricultural & Milk Marketing Board	23.47	25.50	48.97
Board of Administration	196.42	329.17	525.59
Board of Health	327.33	1110.45	1437.78
Board of Industry	17.06	1.00	18.06
Cadastre Committee	6.49	-	6.49
Children Board	90.72	6.88	97.60
Civil Defence Committee	1.00	0.75	1.75
Civil Service Board			
Administration	22.00	-	22.00
Junior Executives & Trainees	18.00	-	18.00
Education Council	158.82	640.87	799.69
Gambling Control Committee	1.00	-	1.00
Guernsey Social Security Authority	108.17	1.00	109.17
Heritage Committee	15.87	6.63	22.50
Committee for Home Affairs			
Police (excluding Police Officers*) <sup>5</sup>	34.06	5.27	39.33
Fire Brigade	6.56	63.00	69.56
Prison	4.00	56.00	60.00
Committee for Horticulture	33.02	0.50	33.52
Housing Authority	45.58	43.68	89.26
Income Tax Authority	82.60	3.38	85.98
Island Development Committee	43.56	-	43.56
Probation Service Committee	7.00	-	7.00
Public Assistance Authority	4.00	8.92	12.92
Public Thoroughfares Committee	3.69	37.00	40.69
Sea Fisheries Committee	4.56	-	4.56
States Traffic Committee	25.00	-	25.00
Tourist Board	31.67	-	31.67
Recreation Committee	44.65	44.75	89.40
Electricity Board	130.84	134.96	265.80
Post Office Board	47.50	156.00	203.50
Telecommunications Board <sup>6</sup>	70.00	196.50	266.50
Water Board	44.00	42.00	86.00
<b>TOTALS</b>	<b>1828.31</b>	<b>2919.63</b>	<b>4747.94</b>

<sup>5</sup> Police Officer establishment is 169.00 FTE.

<sup>6</sup> Telecommunications Board excluded from SNLP from March 2000 by States Resolution of January 2000

### Footnote

This policy and therefore the above table excludes Police Officers (establishment for the States to determine – see\*) and States of Guernsey staff working in Alderney and Sark (some 97 FTE in some 7 committees) if their employment costs are not effectively met by the States of Guernsey and if such staff are not taken from the Guernsey employment pool (establishment for employing committees to determine in the case of Non-Established Staff or the Board to determine in the case of Established Staff).

## APPENDIX IV

Establishments of Staff as at 31 December 2000 of Committees/Departments covered by States Staff Number Limitation Policy (see footnote)

FTE = Full Time Equivalent	Established Staff Establishment (FTE)	Non-Established Staff Establishment (FTE)	Total Establishment (FTE)
Advisory & Finance Committee	129.08	-	129.08
Bailiff's Office	4.00	4.54	8.54
H.M. Procureur's Office	19.42	-	19.42
H.M. Greffier's Office	24.17	-	24.17
H.M. Sheriff's Office	9.56	0.26	9.82
Agricultural & Countryside Board	25.47	24.50	49.97
Board of Administration	198.26	325.33	523.59
Board of Health	330.93	1106.85	1437.78
Board of Industry	22.06	1.00	23.06
Cadastre Committee	6.49	-	6.49
Children Board	92.23	6.37	98.60
Civil Defence Committee	1.00	0.75	1.75
Civil Service Board			
Administration	22.00	-	22.00
Junior Executives & Trainees	20.00	-	20.00
Education Council	162.59	643.28	805.87
Gambling Control Committee	1.00	-	1.00
Guernsey Social Security Authority	108.17	1.00	109.17
Heritage Committee	15.87	6.63	22.50
Committee for Home Affairs			
Police (excluding Police Officers*) <sup>7</sup>	34.06	5.27	39.33
Fire Brigade	6.56	64.00	70.56
Prison	4.00	59.00	63.00
Committee for Horticulture	30.02	0.50	30.52
Housing Authority	45.75	47.19	92.94
Income Tax Authority	82.49	2.85	85.34
Island Development Committee	43.56	-	43.56
Probation Service Committee	7.00	-	7.00
Public Assistance Authority	4.00	8.92	12.92
Public Thoroughfares Committee	3.69	37.00	40.69
Sea Fisheries Committee	4.56	-	4.56
States Traffic Committee	25.00	-	25.00
Tourist Board	31.67	-	31.67
Recreation Committee	44.65	44.75	89.40
Electricity Board	128.84	135.96	264.80
Post Office Board	47.50	156.00	203.50
Water Board	44.00	42.00	86.00
<b>TOTALS</b>	<b>1779.65</b>	<b>2723.95</b>	<b>4503.60</b>

<sup>7</sup> Police Officer establishment is 177.00 FTE

### Footnote

This policy and therefore the above table excludes Police Officers (establishment for the States to determine – see\*) and States of Guernsey staff working in Alderney and Sark (some 96 FTE in some 6 committees) if their employment costs are not effectively met by the States of Guernsey and if such staff are not taken from the Guernsey employment pool (establishment for employing committees to determine in the case of Non-Established Staff or the Board to determine in the case of Established Staff).

## APPENDIX V

Net Changes in Establishments of Staff between 31 December 1999  
and 31 December 2000 of Committees/Departments covered by States Staff  
Number Limitation Policy (see footnote)

FTE = Full Time Equivalents	Net Changes in Established Staff Establishment (FTE)	Net Changes in Non-Established Staff Establishment (FTE)	Net Changes in Total Establishment (FTE)
Advisory & Finance Committee	1.00	-	1.00
Bailiff's Office	-	-	-
H.M. Procureur's Office	2.00	(0.62)	1.38
H.M. Greffier's Office	3.00	-	3.00
H.M. Sheriff's Office	0.56	-	0.56
Agricultural & Countryside Board	2.00	(1.00) <sup>8</sup>	1.00 <sup>8</sup>
Board of Administration	1.84	(3.84)	(2.00)
Board of Health	3.60	(3.60)	-
Board of Industry	5.00	-	5.00
Cadastre Committee	-	-	-
Children Board	1.51	(0.51)	1.00
Civil Defence Committee	-	-	-
Civil Service Board	-	-	-
Administration	-	-	-
Junior Executives & Trainees	2.00	-	2.00
Education Council	3.77	2.41	6.18 <sup>9</sup>
Gambling Control Committee	-	-	-
Guernsey Social Security Authority	-	-	-
Heritage Committee	-	-	-
Committee for Home Affairs	-	-	-
Police (excluding Police Officers*)	-	-	-
Fire Brigade	-	1.00	1.00
Prison	-	3.00	3.00
Committee for Horticulture	(3.00)	-	(3.00) <sup>8</sup>
Housing Authority	0.17	3.51	3.68
Income Tax Authority	(0.11)	(0.53)	(0.64)
Island Development Committee	-	-	-
Probation Service Committee	-	-	-
Public Assistance Authority	-	-	-
Public Thoroughfares Committee	-	-	-
Sea Fisheries Committee	-	-	-
States Traffic Committee	-	-	-
Tourist Board	-	-	-
Recreation Committee	-	-	-
Electricity Board	(2.00)	1.00	(1.00)
Post Office Board	-	-	-
Water Board	-	-	-
<b>TOTALS</b>	<b>21.34</b>	<b>0.82</b>	<b>22.16</b>

<sup>8</sup> Transfers of function/establishment

<sup>9</sup> States agreed increases

### Footnote

This policy and therefore the above table excludes Police Officers (establishment for the States to determine - see \*) and States of Guernsey staff working in Alderney and Sark (some 96 FTE in some 6 committees) if their employment costs are not effectively met by the States of Guernsey and if such staff are not taken from the Guernsey employment pool (establishment for employing committees to determine in the case of Non-Established Staff or the Board to determine in the case of Established Staff).

## APPENDIX VI

### Corporate IT Fund

<u>Project</u>	<u>Amount</u>
Public Key Infrastructure consultancy	£ 25,000
Internet and e-mail content filtering	£ 13,500
E-Government consultancy	£ 20,000
Guernsey Information Network (Guille Alles)	£ 15,000
Corporate Gazetteer	£ 20,000
Videoconferencing (Frossard House)	£ 6,000
Network Infrastructure	£ 51,500
Network management software	<u>£ 37,000</u>
<b>TOTAL</b>	<b>£198,000</b>

### Future claims on the Corporate IT Fund

Further development of corporate network	£250,000
Corporate personnel system (CSB)	£ 50,000
Development of digital mapping applications	<u>£ 50,000</u>
<b>TOTAL</b>	<b>£350,000</b>

## APPENDIX VII

## General Revenue Committees' Five Year Projections of Revenue Expenditure Requirements

	Net Expenditure Projections from Committees (at 2001 prices)				
	2001	2002	2003	2004	2005
AFC – General	13,888,215	13,923,455	13,937,925	13,761,525	13,843,825
AFC – Strategic & Corporate Measures	3,478,000	870,000	898,000	898,000	898,000
AFC – States of Alderney	1,005,925	1,027,575	1,028,725	1,028,725	1,026,725
Agriculture and Countryside Board	3,481,632	2,904,266	2,913,266	2,873,266	2,873,266
Arts Committee	136,220	145,000	115,000	115,000	115,000
Board of Admin. – General	6,316,850	6,215,500	6,001,650	5,975,150	6,070,710
Board of Admin. – Central Services	2,482,000	2,542,000	2,323,000	2,304,000	2,313,000
Board of Health	53,244,000	56,624,400	57,241,000	57,957,000	58,527,000
Board of Industry	2,548,345	3,649,590	3,246,590	3,246,590	3,246,590
Cadastre Committee	209,500	196,000	196,000	196,000	196,000
Children Board	5,033,600	4,963,900	4,950,200	4,911,400	4,904,900
Civil Defence Committee	158,425	123,175	123,175	123,175	123,175
Civil Service Board	1,276,500	1,228,500	1,213,500	1,213,500	1,229,500
Education – General	39,398,551	41,908,751	42,555,251	41,502,851	41,322,451
Education – Higher & Advanced	5,360,000	5,680,000	5,764,000	5,787,000	5,886,000
Education – Guille Alles Library	765,000	791,400	791,400	791,400	791,400
Gambling Control Committee	15,284	6,000	6,000	6,000	6,000
Guernsey Social Security Authority	47,693,194	48,230,597	48,936,775	49,722,175	50,528,975
Heritage Committee	1,186,300	1,207,300	1,230,300	1,230,300	1,230,300
Home Affairs – Police	9,260,081	8,386,650	8,386,650	8,411,650	8,411,650
Home Affairs – Fire Brigade	2,552,500	2,523,500	2,523,500	2,523,500	2,523,500
Home Affairs – Prison	2,362,660	2,419,120	2,571,510	2,608,310	2,610,160
Horticulture Committee	1,441,926	1,289,050	1,289,050	1,289,050	1,289,050
Housing Authority	5,597,900	5,266,250	5,326,250	5,326,250	5,276,250
Income Tax Authority	3,679,705	3,488,300	3,488,300	3,488,300	3,488,300
Island Development Committee	2,258,800	1,998,800	1,998,800	1,998,800	1,998,800
Island Reception Committee	113,000	21,000	21,000	21,000	21,000
Liberation Celebrations Committee	56,872	75,000	75,000	75,000	95,000
Overseas Aid Committee	1,020,370	1,020,000	1,120,000	1,220,000	1,320,000
Probation Service Committee	268,500	266,500	266,500	266,500	266,500
Public Assistance Authority	584,210	584,985	585,755	586,530	587,305
Public Thoroughfares Committee	8,293,200	7,793,200	7,293,200	7,293,200	7,293,200
Recreation Committee	1,354,500	1,429,500	1,464,500	1,144,500	1,204,500
Sea Fisheries Committee	284,015	294,525	294,525	294,525	294,525
States Traffic Committee	2,120,300	2,426,300	2,426,300	2,426,300	2,426,300
Tourist Board	5,458,900	4,490,000	4,370,000	4,370,000	4,370,000
Transport Board	-	30,000	30,000	30,000	30,000
<b>Totals</b>	<b>£234,384,980</b>	<b>£236,040,089</b>	<b>£237,002,597</b>	<b>£237,016,472</b>	<b>£238,638,857</b>
Expenditure not in Committee requests but reserved in General Revenue	£1,670,000	£3,270,000	£3,520,000	£3,770,000	£4,020,000
Projected Use of Unspent Balances	(£8,617,225)	(£1,536,622)	(£652,027)	(£463,390)	(£77,063)
<b>Net Expenditure</b>	<b>£227,437,755</b>	<b>£237,773,467</b>	<b>£239,870,570</b>	<b>£240,323,082</b>	<b>£242,581,794</b>
Inflate to 2002 prices (+3%)		£244,906,671	£247,066,687	£247,532,774	£249,859,248

## APPENDIX VIII

## Unspent Balances Available to Committees as at 31 December 2000

	Unspent Balances (1991-1999) remaining at 1/1/00 £	Unspent Balances used in 2000 £	Unspent Balances generated in 2000 £	Total Balances Available £
<b>Advisory and Finance Committee:</b>				
General	1,537,814	(874,910)	1,214,428	1,877,332
Strategic and Corporate Measures	262,748	(231,000)	800,068	831,816
States of Alderney	419,613	(51,336)	68,136	436,413
<b>Agriculture and Countryside Board</b>	68,578	(45,440)	276,418	299,556
<b>Arts Committee</b>	38,641	(37,008)	9,587	11,220
<b>Board of Administration:</b>				
General	866,859	(315,830)	611,946	1,162,975
Central Services	1,277,584	(348,200)	176,645	1,106,029
<b>Board of Health</b>	89,291	(74,428)	61,308	76,171
<b>Board of Industry</b>	522,834	(167,500)	141,435	496,769
<b>Cadastre Committee</b>	29,862	(6,000)	14,666	38,528
<b>Children Board</b>	292,262	(231,948)	389,654	449,968
<b>Civil Defence Committee</b>	69,215	-	25,427	94,642
<b>Civil Service Board</b>	99,865	(86,500)	55,004	68,369
<b>Education Council:</b>				
General	131,725	(75,000)	241,987	298,712
Higher Education	772,984	(550,128)	526,359	749,215
Guille Alles Library	4,035	(4,035)	-	-
<b>Gambling Control Committee</b>	13,588	(11,400)	10,625	12,813
<b>Guernsey Social Security Authority</b>	327,471	(51,100)	(36,018)	240,353
<b>Heritage Committee</b>	79,417	(22,140)	56,493	113,770
<b>Committee for Home Affairs:</b>				
Police	413,440	(94,679)	656,423	975,184
Fire Brigade	76,441	(43,700)	45,028	77,769
Prison	201,447	(27,680)	84,667	258,434
<b>Committee for Horticulture</b>	572,834	(7,500)	202,025	767,359
<b>Housing Authority</b>	1,551,245	(770,000)	175,691	956,936
<b>Income Tax Authority</b>	109,720	(71,762)	7,047	45,005
<b>Island Development Committee</b>	760,129	(268,150)	152,687	644,666
<b>Island Reception Committee</b>	57,452	-	12,214	69,666
<b>Liberation Celebrations Committee</b>	-	-	11,872	11,872
<b>Overseas Aid Committee</b>	915	(915)	370	370
<b>Population and Migration</b>	3,982	(3,982)	-	-
<b>Probation Service Committee</b>	65,862	(26,000)	16,490	56,352
<b>Public Assistance Authority</b>	50,892	(4,350)	2,333	48,875
<b>Public Thoroughfares Committee</b>	1,032,110	(430,000)	318,392	920,502
<b>Recreation Committee</b>	128,047	(50,500)	151,873	229,420
<b>Sea Fisheries Committee</b>	31,654	-	12,677	44,331
<b>States Traffic Committee</b>	350,405	(171,600)	84,529	263,334
<b>Tourist Board</b>	811,092	(321,000)	775,759	1,265,851
<b>Totals</b>	<b>£13,122,053</b>	<b>£(5,475,721)</b>	<b>£7,354,245</b>	<b>£15,000,577</b>

## APPENDIX IX

### Use of Delegated Powers and Formula Led Budget Headings

1. The financial procedures approved by the States (Billets d'Etat VIII of 1991, XXIV of 1993, XV of 1995 and XIV of 1998) require the Advisory and Finance Committee to report in the Policy and Resource Planning Report on the use of the delegated powers conferred on it to approve;

- Increases in General Revenue operating costs
- Use of the Asset Purchase Fund
- Capital projects (straightforward replacements and projects under £100,000), and
- On the need for additional funding under budget headings categorised as formula led.

The Committee last reported to the States on these matters in Appendix III to Billet d'Etat XI for 30 May 2001.

2. The Committee has approved the following increases in 2001 revenue budgets since those reported in May.

	<b>£</b>
Agriculture and Countryside Board	
- Incinerator Increased Fuel Costs	27,000
- Milk Recording Expenses	18,500
 Guernsey Social Security Authority – Concessionary Television Licences for the Elderly – Implementation/Administration Costs	16,000
(The States approved this scheme as part of the 2001 Budget (Billet d'Etat XXIV, 2000), the cost of the licences is a formula led expenditure heading)	
 Income Tax Authority – Printing Capabilities Upgrading	44,500

3. The following item has been approved for acquisition using the Asset Purchase Fund since the report in May:

	<b>£</b>
Housing Authority – Printers replacement	22,900

4. The following capital projects have been approved by the Committee since those reported in May:

	£
<b>States of Alderney</b>	
Alderney Airport – purchase and preparation of additional land	30,000
Mowing Equipment – replacement	7,200
Mechanical Digger	13,000
<b>Board of Administration</b>	
Customs and Immigration	
Drug testing equipment – replacement	21,850
<b>Board of Health</b>	
La Corbinerie – creation of public footpath	8,865
Radiology – Processing equipment – replacement	28,500
Ophthalmology Equipment – replacement	35,500
Duchess of Kent House- additional car parking	15,324
<b>Board of Industry</b>	
Fieldwork Department – Vehicles replacement	23,000
<b>Education Council</b>	
ICT Strategy Phase III – Training	375,000
(On 26 July 2000 (Billet d'Etat XVIII, 2000) the States authorised the Advisory and Finance Committee to approve capital votes in respect of the Council's ICT Strategy Phases II and III)	
<b>Committee for Home Affairs</b>	
Police	
Colour Printer/Copier – replacement	28,000
Vehicles – replacement	78,000
<b>Income Tax Authority</b>	
Reform of the Tax System – Optical Character Recognition System	43,180
<b>Recreation Committee</b>	
Fort Le Marchant Rifle Range – safety barriers for butts	8,000
Vehicle – replacement	5,750
<b>States Traffic Committee</b>	
Bus Shelters – additional	30,000
<b>Board of Administration – Ports</b>	
Airport	
Cargo sheds refurbishment – Consultants fees	22,000
Runway Extension Studies	65,000
Harbour of St Peter Port	
Mobile Crane – replacement	157,318

5. Details of Formula Led Budget headings are shown below. The Committee has been informed that expenditure for 2001 under several headings (indicated with an asterisk) is likely to exceed the budgets agreed by the States. However, the Committee has been advised that there will also be savings in 2001 under other headings, as shown, resulting in a net additional funding requirement of £158,205.

<b>Committee/Heading</b>	<b>Outturn 2000 £</b>	<b>Budget 2001 £</b>	<b>Predicted 2001 £</b>	<b>Estimate 2002 £</b>
<b>Advisory and Finance Committee</b>				
Payments to States Members*	909,949	947,400	962,800	1,004,650
Maintenance of Prisoners in the UK	62,032	140,000	140,000	175,000
<b>States of Alderney</b>				
Conge	(362,664)	(400,000)	(400,000)	(400,000)
Leasehold Duty	(40,594)	(30,000)	(30,000)	(30,000)
Transfer Duty	(27,183)	-		(5,000)
TV Tender payments	(1,958)	(2,000)	(2,000)	(2,000)
Out Relief	19,544	22,000	22,000	22,000
Cull Cattle compensation payments	1,350	6,000	6,000	4,000
<b>Agriculture and Countryside Board</b>				
Cull Cattle compensation payments	91,140	135,000	135,000	135,000
B.S.E. compensation payments*	8,400	9,150	9,600	9,600
<b>Guernsey Social Security Authority</b>				
Social Insurance grant*	21,334,043	22,520,000	22,536,000	23,776,000
Supplementary benefits*	8,582,333	8,825,800	8,982,100	9,369,100
Family allowances	6,474,717	6,733,800	6,722,100	6,957,400
Health Service grant	5,432,350	5,735,000	5,717,800	6,032,500
Attendance and Invalid Care Allowance*	1,619,673	1,734,300	1,748,000	1,914,000
Concessionary Television Licences for the Elderly*	-	334,000	390,000	323,140
Special Christmas payments*	175	130	175	175
<b>Committee for Horticulture</b>				
Interest Subsidy Scheme	243,689	350,000	300,000	300,000
<b>Housing Authority</b>				
Document Duty Grants	244,865	165,000	140,000	140,000
<b>Public Assistance Authority</b>				
Parochial Outdoor Assistance Boards*	147,231	150,000	153,710	159,870
Medical Assistance Scheme*	4,325	4,000	4,500	4,600
<b>Recreation Committee</b>				
Beau Sejour Centre Conference Transfer	125,712	-		
<b>TOTALS</b>	<b>£44,869,129</b>	<b>£47,379,580</b>	<b>£47,537,785</b>	<b>£49,890,035</b>

Note: Following States approval of the revised funding arrangements for Beau Sejour Centre, with effect from 1 January 2001 Conference Transfers are not classified as Formula Led.

## APPENDIX X

### Details of Requests by States General Revenue Committees for Additional Capital Allocations for the period ending 31 December 2004

The following lists are compiled from committees Policy and Resource Planning submissions. As such the lists do not represent a capital programme and the publication of the lists in this Report does not imply support for any individual project by the Advisory and Finance Committee.

	Estimated Cost of Project £	Total of New Requests £	Possible Date of Approach to States/A&F	Estimated Annual Charge/ (Saving) on General Revenue £	Estimated Additional Number of Staff Required
<b>ADVISORY AND FINANCE COMMITTEE</b>					
Government House Major Maintenance Programme – Additional	60,000		2001		
Sir Charles Frossard House – Conference Facility	35,000		2001		
States Treasury – Security enhancement/refurbishment	25,000		2001		
Property Services – Land Survey vehicle replacement	10,000		2001		
Belgrave Vinery Consultants Fees/Site Investigations/ Preparatory Works	2,000,000		2002		
States Analysts Laboratory – Transfer to Burnt Lane	850,000		2002		
Royal Court House – Roof repairs	400,000		2002		
Priaulx Library – Computer and Security systems	85,000		2002		
Court Tape Recorders – replacement	24,000		2002		
States Treasury – Payroll System replacement	150,000		2003		
States Treasury – Corporate Infrastructure/Systems development	200,000		2001/2002		
States Treasury – IT Systems replacement/additional	150,000		2001/2002		
Corporate IT Fund	600,000		2001/2004		
E-Government Infrastructure development	880,000		2001/2004		
E-Government – Support of committees initiatives	<u>750,000</u>		2002/2004		
	6,219,000				
Less					
Balance of Allocation at 30.4.01	<u>(1,293,256)</u>				4,925,744
<b>STATES OF ALDERNEY</b>					
Incinerator	600,000		2001		
Island Hall – repairs	340,000		2001		
States Housing – additional	280,000		2001		
Crawler Crane – replacement	250,000		2001		
Swimming Pool (Part Funding)	250,000		2001		
Vicarage replacement	200,000		2001		
Jubilee Home – Convert to Sheltered accommodation	152,688		2001		
Commercial Quay – New Firemain/repairs	120,000		2001		
Fire Station – relocation	100,000		2001		
Crusher Site infrastructure	95,000		2001		
Sewers – La Vallee/Picaterre – upgrade	66,000		2001		
St Annes House – repairs	65,000		2001		
Sewerage Cart – replacement	45,000		2001		
Fort Tourgis – Consultancy and Marketing Costs	40,000		2001		
Mouriaux to Platte Saline – Sewer Investigations	35,000		2001		
Mechanical Digger	13,000		2001		

	Estimated Cost of Project £	Total of New Requests £	Possible Date of Approach to States/A&F	Estimated Annual Charge/ (Saving) on General Revenue £	Estimated Additional Number of Staff Required
Pick-Up-Truck – replacement	13,500		2001		
Le Banquage extension	10,000		2001		
Navigation Lights	8,000		2001		
Mowing equipment – replacement	7,200		2001		
Marine Radio Transceiver – upgrade	5,000		2001		
Court Building – repairs	150,000		2002		
St Annes Church Roof – repairs	50,000		2002		
Rigid Inflatable Boat	21,000		2002		
Tractor/Mower – replacement	20,000		2002		
Fire Tender – replacement	15,000		2002		
Commercial Building (Inner Harbour) – redevelopment	10,000		2002		
Inner Harbour – Drying Grid	6,000		2002		
Sewerage Treatment Plant	240,000		2003		
Island Hall Annexe – reconstruction	120,000		2003		
Tipper Lorry – replacement	28,000		2003		
Court Building – Railings replacement	5,000		2003		
Harbour Office/Freight Shed – reconstruction	<u>160,000</u>		2004		
	3,520,388				
Less					
Estimated Sale proceeds of existing Vicarage	(200,000)				
Other Capital Income	(600,000)				
Balance of Allocation at 30.4.01	<u>(1,143,669)</u>				
		1,576,719			
<b>AGRICULTURE AND COUNTRYSIDE BOARD</b>					
Milk Recording Laboratory equipment	15,000		2001		
AI Unit refurbishment	10,000		2001		
Vehicle – replacement	6,000		2001		
New Slaughter House	<u>650,000</u>		2002		
	681,000				
Less					
Balance of Allocation at 30.4.01	<u>(42,662)</u>				
		638,338			
<b>BOARD OF ADMINISTRATION</b>					
<b>Alderney Airport</b>					
Runway and Taxiway surface resealing	578,802		2001		
Fire Appliances – replacement	300,000		2001		
Airfield Signs/Lighting upgrade	50,000		2001		
Fire Station Heating – replacement	35,000		2001		
Meteorological Equipment – replacement	25,000		2001		
Airfield Pick-Up Truck – replacement	20,000		2001		
Main Apron Drainage	10,000		2001		
Fire Service – Air Tent	8,000		2001		
Fire Station Extension	30,000		2002		
VHF Radios – replacement	21,000		2002		
Runway Lights – replacement	20,000		2002		
Airfield Lighting Controls – replacement	15,000		2002		
ATC VHF Radios – replacement	10,000		2002		
Standby Generator – replacement	70,000		2004		
Non-Directional Beacon – replacement	26,000		2004		

	Estimated Cost of Project £	Total of New Requests £	Possible Date of Approach to States/A&F	Estimated Annual Charge/ (Saving) on General Revenue £	Estimated Additional Number of Staff Required
<b>Alderney Breakwater</b>	18,400,000		2002	(225,000)	NIL
<b>Central Services</b>					
Old Prison Site – rebuilding	14,100,000		2001		
Storage Accommodation – Archive	1,500,000		2001		
St James the Less – repairs	500,000		2001		
Town Arsenal Flats – refurbishment	420,000		2001		
Bulwer Avenue Roof – replacement	160,000		2001		
Belvedere Road – resurfacing	60,000		2001		
Sablon d'Or Kiosk – rebuilding	50,000		2001		
Storage Accommodation – Museum	1,000,000		2002		
Storage Accommodation – Board of Administration	500,000		2002		
Hostel of St John – major refurbishment	260,000		2002		
Vazon Kiosk – rebuilding	50,000		2002		
Condition review survey	720,000		2001/2004		
Public Conveniences Rolling Programme	480,000		2001/2004		
<b>Customs and Immigration</b>					
Asset Tracking System	95,000		2001	13,500	NIL
Intelligence Handling System	95,000		2001	15,000	NIL
Financial Intelligence Service – IT System	67,500		2001	10,000	NIL
X-ray equipment	60,000		2001	6,000	NIL
Law Enforcement Computer Linking	45,000		2001	13,200	NIL
Specialist Investigation Equipment	35,000		2001		
Search Equipment Night Vision	30,000		2001		
Internet Information Website	30,000		2001		
New Jetty Office Accommodation – Alterations	28,105		2001		
Car Hall Renovation	26,500		2001		
Alderney Airport – Secure Office	26,500		2001	1,500	NIL
Computerised Suspect Index – replacement	25,000		2001	1,600	NIL
Rigid Inflatable Boat – replacement	15,000		2001		
Commercial Computer System	15,000		2001		
Radio Fittings – replacement	10,000		2001		
Financial Intelligence Service – Office Conversion	7,500		2001		
Furniture – replacement	400,000		2002		
Radio Equipment – replacement/upgrade	325,000		2002	3,000	NIL
CCTV – Airport System – upgrade	150,000		2002	8,000	NIL
Licence Plate Recognition Equipment	50,000		2002	7,500	NIL
Investigation Vehicles Replacement	48,000		2002		
Air Freight Clearance System – extension	45,000		2002	4,500	NIL
Financial Intelligence Service – International Links	40,000		2002	6,000	NIL
Document Archiving and Handling System	25,000		2002	3,750	NIL
Passport Issuance System – upgrade	20,000		2002	3,000	NIL
Marina IT Communication Link	10,000		2002		
Financial Intelligence Service Vehicle	6,000		2002		
Server Replacement	70,000		2003		
Access Control System – replacement	50,000		2003	4,500	NIL
Surveillance equipment – replacement/upgrade	45,000		2003		
National ID Card Equipment	35,000		2003	8,000	NIL
Airport Office – Alarm System and Detention Facility	30,000		2003		
Immigration Security Vinettes	20,000		2003	500	NIL
Passport System – details exchange	15,000		2003		

	Estimated Cost of Project £	Total of New Requests £	Possible Date of Approach to States/A&F	Estimated Annual Charge/ (Saving) on General Revenue £	Estimated Additional Number of Staff Required
Computerised Community Transit System	10,000		2003	1,500	NIL
Immigration & Nationality Database Update	7,000		2003		
Passport applications – IT Link	10,000		2004	1,500	NIL
Drug Detector Dog Van – replacements	23,000		2001/2002		
Vehicle Replacement Programmes	25,000		2001/2002		
<b>Land Management</b>					
La Vallette Garden Paths – resurfacing	50,000		2001		
Coast Defence works	250,000		2002		
L'Ancrese Sea Wall repairs	150,000		2002		
Saumarez Park Walled Garden – restoration	100,000		2002		
L'Eree Shingle Bank – repairs	100,000		2002		
Bordeaux Area enhancement	65,000		2002		
North Plantation – renovation	50,000		2002		
Rousse Pier (New) construction	40,000		2002		
Creve Coeur enhancement	30,000		2002		
<b>Property</b>					
Foulon Cremator replacement/Chapel upgrade	928,039		2001		
Foulon – Memorial Plaque Walls additional	150,000		2001		
Foulon – Gabion Wall	40,000		2002		
<b>Recycling</b>					
Can Baler Condenser	25,000		2001		
Electric Forklift – replacement	10,000		2002		
Recycling Trucks – replacement	70,000		2001/2002		
Eurobins – replacement	25,000		2001/2002		
<b>Refuse Disposal and Land Reclamation</b>					
St Germain – Leachate control and disposal system	200,000		2001	10,000	NIL
Compactor Unit – replacement	150,000		2001		
Dysons Quarry – Gas extraction	80,000		2001	5,000	NIL
Skiptruck – replacement	30,000		2001		
Water Tanker – replacement	25,000		2001		
Waste to Energy Plant	25,000,000		2002		12.00
Green Waste Composting	2,000,000		2002		
Civic Amenity Recycling site	500,000		2002		
Windrow Composting	300,000		2002		
Materials Recovery facility	150,000		2002		
Torrey Canyon Quarry – preparation for landfill	<u>90,000</u>		2002		
	72,096,946				
Less					
Balance of Allocation at 30.4.01	<u>(7,807,344)</u>				
		64,289,602			
<b>BOARD OF HEALTH</b>					
<b>Acute Hospital Services:</b>					
Clinical Waste Incinerator – replacement	1,576,817		2001	40,000	1.00
Pharmacy – refurbishment	598,555		2001	5,000	NIL
Hospital equipment – replacement (2001)	436,000		2001	5,000	NIL
Hospital equipment – additional (2001)	209,000		2001	1,000	NIL
Mortuary Air Handling Plant – replacement	110,000		2001		
Echocardiography – additional equipment	100,000		2001	1,000	0.50
Day Patient Unit – Duodenoscope Video	63,000		2001	2,000	NIL
Dining Room Servery – replacement	60,000		2001		

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	Estimated Cost of Project £	Total of New Requests £	Possible Date of Approach to States/A&F	Estimated Annual Charge/ (Saving) on General Revenue £	Estimated Additional Number of Staff Required
Medical Air Compressor – replacement	50,000		2001	1,000	NIL
Laundry Foul Washer – replacement	50,000		2001		
Pathology – Microtitre Plates Handler	50,000		2001		
Uninterruptable Power Supply – Theatres/Loveridge/Pathology	45,000		2001	1,000	NIL
Day Patient Unit – Portable Dental Unit	25,000		2001		
Clinical Areas – Flooring replacement	17,000		2001		
Princess Elizabeth Hospital Security Doors	16,000		2001		
Medical Unit – replacement	6,000,000		2002		
Radiology Computer Processing & Imaging – replacement	250,000		2002	30,000	NIL
Hospital equipment – replacement (2002)	213,000		2002		
HWS Storage Calorifiers Phase III – replacement	150,000		2002		
Radiology Mobile Image Intensifier – replacement	100,000		2002		
Ultrasound Machine – replacement	100,000		2002		
Princess Elizabeth Hospital Car Park – upgrade	100,000		2002		
Pathology – Roofing/Guttering – replacement	80,000		2002		
Endoscopy Video Converter – replacement	52,000		2002		
Building/Energy Management System – Phase III	50,000		2002		
Workshops Extension	50,000		2002		
Labour Ward – refurbishment	50,000		2002		
Medical Gas Installation	40,000		2002	1,000	NIL
Boiler Plant – Heat Recovery system	40,000		2002		
Boiler Feedwater Storage Tanks – replacement	40,000		2002		
Goods Lifts – replacement	30,000		2002		
Hospital Roadway – resurfacing	30,000		2002		
Victoria Wing – upgrade	25,000		2002		
Childrens Ward – day facilities	25,000		2002	(40,000)	(2.00)
Maternity Ward – Intensive Care Unit	25,000		2002		
Breast Impedance Imaging – Radiology	22,000		2002	45,000	0.25
Radiology Mobile X-Ray – replacement	20,000		2002		
Princess Elizabeth Hospital – Flooring replacement	20,000		2002		
Pathology Cold Room	15,000		2002		
Radiology Archiving Communication System – additional	500,000		2003		
Robotic Sample Handler – Biochemistry	250,000		2003		
Main Chiller Plant – replacement	200,000		2003		
Intensive Care Unit – High Dependency Beds/equipment	200,000		2003	95,000	4.76
Hospital equipment – replacement (2003)	196,000		2003		
Laundry Calendar – refurbishment	150,000		2003		
Telephone system – replacement	150,000		2003		
Radiology CT Scanner – Digitised system	150,000		2003		
Pneumatic Tube Delivery System (Pathology)	120,000		2003		
DHW Calorifiers Phase 2 – replacement	100,000		2003		
Day Patient Unit Treatment Room – Theatre upgrade	100,000		2003		
Boiler House Plant – replacement	100,000		2003		
Princess Elizabeth Hospital – Gloucester room conservatory	75,000		2003		
Laundry Calendar Folder – replacement	75,000		2003		
Day Patient Unit – Cytoscope Video	52,000		2003		
Laundry Washer Extractor	50,000		2003		
CT Scanner upgrade	50,000		2003		
Victoria Wing - upgrade	30,000		2003		
Princess Elizabeth Hospital Shop/Reception Area – upgrade	30,000		2003		
Building/Energy Management System – Phase IV	25,000		2003		

	Estimated Cost of Project £	Total of New Requests £	Possible Date of Approach to States/A&F	Estimated Annual Charge/ (Saving) on General Revenue £	Estimated Additional Number of Staff Required
Nuclear Medicine – Cancer equipment	17,000		2003		
Surgical Wards – upgrade	1,500,000		2004		
Hospital Equipment – replacement (2004)	200,000		2004		
Ultrasound Machine – replacement	100,000		2004		
Main Dishwasher – replacement	60,000		2004		
Main Potwasher – replacement	60,000		2004		
DHW Calorifiers Phase 4 – replacement	50,000		2004		
Pathology – Amplification of Genetic material equipment	50,000		2004		
Road Surface repairs	30,000		2004		
Pathology Donor Room upgrade	30,000		2004		
Medical Gas Installation – upgrade	20,000		2004		
Princess Elizabeth Hospital – Fire Alarms replacement	120,000		2001/2004		
Princess Elizabeth Hospital – Flat Roof repairs	70,000		2003/2004		
Princess Elizabeth Hospital – External decoration	40,000		2003/2004		
<b>Central Services</b>					
Staff Accommodation – purchase property	1,100,000		2001		
IT Upgrade/Replacement Programme	240,000		2001		
Radiology System – replacement	200,000		2001		
MSG/Primary Care – IT Links	10,000		2001		
Staff Accommodation	3,101,000		2002		
Patient Administration System – replacement	1,200,000		2002		
Pharmacy – Electronic Prescribing Computer	500,000		2002		
Creche	300,000		2002	20,000	NIL
People with a Learning Disability – replacement accommodation	200,000		2002		
Medical Records – Document Management System	50,000		2002		
Sterile Services Department – Computerised Tracking System	20,000		2002		
Nurses Home – replacement	5,000,000		2003		
Staff Accommodation – Decant Arrangements	300,000		2003		
Staff Accommodation – upgrade one unit	33,000		2003		
Staff Accommodation – Decant Arrangements	300,000		2004		
Staff Accommodation – Upgrades	250,000		2004		
<b>Community Services</b>					
Property replacements	1,800,000		2001		
Mignot Day Centre – redevelopment	1,000,000		2001		
Old Stables – replacement	150,000		2001		
Duchess of Kent Alterations	95,000		2001		
States Analysts Laboratory – Testing Equipment	25,000		2001		
Mignot Memorial Hospital – drain repairs/surface drive	25,000		2001		
Duchess of Kent – Car parking additional	15,324		2001		
Hayward House – alterations	15,000		2001		
The Croft – Alterations	15,000		2001		
States Analysts Laboratory – Heat & Ventilation Unit replacement	10,323		2001		
Learning Disability Homes – Roadway and path repairs	10,000		2001		
Mignot Memorial Hospital – redevelopment	2,500,000		2002		
Civil Defence and Gateway Club – replacement	350,000		2002		
Mignot Memorial Hospital – Radiology equipment – replacement	50,000		2002		
Mignot Memorial Hospital – Teleradiology	50,000		2002		
People with a Learning Disability – Small Community Homes	1,200,000		2003	429,000	16.00
Duchess of Kent – Fire alarm upgrade	45,000		2003		
Mignot Memorial Hospital - Ward Equipment/Furniture	50,000		2003		
School Dental/Orthoptic Clinics – equipment – replacement	20,000		2003		

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	Estimated Cost of Project £	Total of New Requests £	Possible Date of Approach to States/A&F	Estimated Annual Charge/ (Saving) on General Revenue £	Estimated Additional Number of Staff Required
School Dental/Orthoptic Clinics – equipment – replacement	20,000		2004		
Mignot Memorial Hospital – Ultrasound Machine – replacement	20,000		2004		
Duchess of Kent – Window frames replacement	50,000		2001/2002		
Learning Disability Homes – External decoration	35,000		2002/2003		
<b>Mental Health and Geriatric Services</b>					
La Corbinerie – continuing care wards	5,119,000		2001		
King Edwards VII Hospital – Le Cheminant Wing alterations	100,000		2001		
King Edward VII Hospital – Hospital Equipment	56,000		2001	2,000	NIL
Newington Place – refurbishment	50,000		2001		
Castel Hospital – Interim Management Plan – Phase II	35,000		2001		
Albecq Ward – Office and Entrance alterations	17,000		2001		
Allan Grut Ward – modifications	16,000		2001		
King Edward VII Hospital – Nursing Offices alterations	15,000		2001		
Castel Hospital Temporary Office space	15,000		2001		
Castel Hospital Occupational Therapy – Equipment upgrades	15,000		2001		
Community Mental Health Resource Centre	1,000,000		2002		
King Edward VII Hospital – Fire Alarm replacement	55,000		2002		
Allan Grut Ward – Nurse Call system – replacement	35,000		2002		
King Edward VII Hospital – Giffard Day Room	35,000		2002		
King Edward VII Hospital – Workshop upgrade	25,000		2002		
Allan Grut Ward – Bed Bays enclosure	20,000		2003		
King Edward VII Hospital – External decoration	15,000		2003		
King Edward VII Hospital – Roadway repairs	15,000		2003		
King Edward VII Hospital – Pressure Relief Equipment	72,000		2001/2003	1,000	NIL
Castel & King Edward VII Hospitals – Furniture – additional/ replacement	587,000		2001/2004		
<b>Public Health Services</b>					
Osteoporosis System	40,000		2001		
<b>Vehicles</b>					
Fleet Cars – replacement programme	415,000		2001/2004		
Other Vehicles – replacement programme	337,000		2001/2004		
Other Vehicles - additional	<u>138,000</u>		2002/2004		
	44,465,019				
Less					
Balance of Allocation at 30.4.01	<u>(11,456,978)</u>				
		33,008,041			
<b>BOARD OF INDUSTRY</b>					
<b>Administration</b>					
Burnt Lane – redevelopment including contribution from Committee for Horticulture	700,000		2002		
<b>Employment Services</b>					
Vehicle Replacement Programme	<u>53,000</u>		2001/2004		
	753,000				
Less					
Balance of Allocation at 30.4.01	(5,257)				
Proposed Transfer from Revenue Unspent Balances	(23,000)				
Proposed Transfer from Committee for Horticulture	<u>(400,000)</u>				
		324,743			

	Estimated Cost of Project £	Total of New Requests £	Possible Date of Approach to States/A&F	Estimated Annual Charge/ (Saving) on General Revenue £	Estimated Additional Number of Staff Required
<b>CHILDREN BOARD</b>					
Training Flats for Young People	200,000		2001		
Family Centres – Les Genats and Rue des Pins	135,000		2001		
Secure Unit development	120,000		2001		
Swissville Family Centre – kitchen	40,000		2001		
Swissville Workshop – refurbishment	35,000		2002		
Swissville Family Centre – Playbus replacement	20,000		2002		
Community Family Centre 3 – purchase/refurbishment	100,000		2003		
Vehicle replacement programme	<u>60,000</u>		2001/2004		
	710,000				
Less					
Balance of Allocation at 30.4.01	<u>(331,353)</u>	378,647			
<b>CIVIL DEFENCE COMMITTEE</b>					
Public Safety Radio System – replacement	40,000		2001		
Landrover – replacement	<u>20,000</u>		2002		
	60,000				
Less					
Balance of Allocation at 30.4.01	<u>(53,829)</u>	6,171			
<b>EDUCATION COUNCIL</b>					
<b>Information and Communication Technology Strategy</b>					
ICT Network – Phases II and III	5,700,000		2001		
ICT Network – PC's replacement programme	3,350,000		2004		
<b>Property</b>					
New Direction Proposal	83,190,000		2001		
Schools Asbestos Testing/Removal	3,075,000		2001		
Fire Detection and Prevention Systems – upgrades	600,000		2001		
Schools Property Surveys	255,000		2001		
Land purchases	240,000		2001		
School Workshops Health and Safety Review	188,000		2001		
Longfield Centre – refurbishment	8,000		2001		
Special Education – Alterations/Additional premises	8,790,000		2002	490,000	NIL
Electrical rewiring (General)	1,000,000		2002		
Glass and Glazing – replacement	600,000		2002		
Teachers Accommodation	500,000		2002		
School Swimming Pools – upgrade	250,000		2002		
Security improvements	100,000		2002		
School Water Supplies – upgrade	75,000		2002		
Education Department – Additional Accommodation/Security Systems	20,000		2002		
Primary Schools refurbishments	2,018,000		2001/2003		
Temporary Classrooms	455,000		2001/2003		
Minor Improvements to School Buildings	2,860,000		2001/2004		
<b>Other</b>					
Schools Transport Service – Vehicle replacement programme	<u>80,000</u>		2001/2004		
	113,354,000				
Less					
Balance of Allocation at 30.4.01	<u>(11,159,325)</u>	102,194,675			

	Estimated Cost of Project £	Total of New Requests £	Possible Date of Approach to States/A&F	Estimated Annual Charge/ (Saving) on General Revenue £	Estimated Additional Number of Staff Required
<b>HERITAGE COMMITTEE</b>					
<b>Archive Services</b>					
Mobile Racking for New Accommodation	100,000		2002		
<b>Guernsey Museum and Art Gallery</b>					
Computer Link to sites	45,000		2001		
St John Street – Roller Racking Storage	30,000		2001		
St John Street & Guernsey Museum – Improved Security	20,000		2001		
Van – replacement	18,000		2001		
Asterix – Museum Displays	500,000		2003	75,000	4.00
Asterix Display – Slaughterhouse conversion & refurbishment	300,000		2003		
Castle Cornet – Royal Guernsey Militia redisplay	150,000		2004		
<b>Historic Sites</b>					
Castle Cornet – Main electricity cable replacement	45,000		2001		
Castle Cornet – Floodlight System Cable replacement	30,000		2001		
Castle Cornet – Main Drain connection	25,000		2003		
Fort Richmond – refurbishment	<u>500,000</u>		2004		
	1,763,000				
Less					
Balance of Allocation at 30.4.01	<u>(408,507)</u>	1,354,493			
<b>COMMITTEE FOR HOME AFFAIRS</b>					
Police/Fire Radio System – replacement	1,850,000		2001	50,100	NIL
<b>Police Force</b>					
Secure Garage Facilities	500,000		2001	2,000	NIL
CCTV – Airport System – upgrade	150,000		2001	2,000	NIL
Financial Intelligence Service – IT System	67,500		2001	10,000	NIL
Fixed Penalty Ticket System – upgrade	30,000		2001		
Fixed Asset Register	10,000		2001	20,000	1.00
CCTV System Intergration	200,000		2002	6,500	NIL
Police HQ CCTV – upgrade	160,000		2002		
Technical Support equipment – replacement	70,000		2002		
Air Conditioning – Top Floor	45,000		2002		
Financial Intelligence Service – International Links	40,000		2002	6,000	NIL
Video equipment – upgrade/replacement	18,500		2002		
Photo Processor Printer – replacement	12,000		2002		
Forensic Computing Equipment – replacement	8,000		2002		
Publications Machine	6,000		2002		
Financial Intelligence Service – Vehicle	6,000		2002		
Mono Copier – replacement	17,000		2003		
Paper Processor – replacement	12,000		2003		
Additional Office Accommodation	600,000		2004	25,000	NIL
Crime Desk Specialist equipment	77,050		2004		
Computer Development programme	555,000		2002/2004		
Vehicles replacement programme	175,000		2002/2004		
Photocopier replacement programme	38,000		2002/2004		
<b>Fire Brigade</b>					
Control Room – relocation and refitting	275,000		2001	10,000	NIL
Training Complex – alterations	120,000		2001		
Light Strike Vehicle – replacement	120,000		2001		

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	Estimated Cost of Project £	Total of New Requests £	Possible Date of Approach to States/A&F	Estimated Annual Charge/ (Saving) on General Revenue £	Estimated Additional Number of Staff Required
Management Information System	74,800		2001	3,500	NIL
Vehicle Exhaust Extraction System	52,000		2001		
Fixed Asset Register	10,000		2001		
Water Tanker – replacement	102,000		2002		
Vehicle Bays restoration	80,000		2002		
Trailer Lighting Unit	13,000		2002		
Personal Protection Equipment – replacement	40,000		2003		
Breathing Apparatus upgrade	32,500		2003		
Workshop upgrade	25,000		2003		
Fire Safety Display Unit	13,500		2003		
Fire Safety Vehicle – additional	12,500		2003		
General Purpose Truck/Forklift – replacement	102,000		2004		
Station refurbishment	50,000		2004		
Small Pumps – replacement	10,500		2004		
Cutting Equipment – replacement	8,500		2004		
Wireless Staff Cars – replacement	50,000		2001/2004		
Computer Development programme	22,000		2003/2004		
<b>Prison</b>					
Radio System – replacement	100,000		2001	10,000	NIL
Education and Interview Centre – conversion	95,000		2001		
CCTV Wings/Visitor Area – extension	40,000		2001		
Vehicle – replacements	37,000		2001		
Catering Facilities – refurbishment	25,000		2001		
Computer upgrades	25,000		2001		
Education Department Computers	15,000		2001		
Foreign Nationals – enhanced facilities	15,000		2001		
Telephone System – replacement	10,500		2001		
Control Room Lightning Protection	10,000		2001		
Record Storage Facilities – refurbishment	10,000		2001		
Fixed Asset Register	10,000		2001		
Prison Web Site	5,000		2001		
Additional Accommodation	3,000,000		2002	150,000	7.00
Perimeter Fence – upgrade	560,000		2002		
Perimeter Fence – refurbishment	100,000		2002		
Guard Wire System – replacement	65,000		2002		
Boiler – replacement	50,000		2002		
Building Protection – Razor Wire extension	35,000		2002		
Courts - Video Links	30,000		2002		
Electronic Tracking System – Phase 1	25,000		2002		
Security Searching Equipment	10,000		2002		
Loading Bay Shutter	10,000		2002		
Video Training Equipment	7,500		2002		
Control Room – relocation	95,000		2003		
Joint Services Cellular vehicle	75,000		2003		
Laundry Equipment – replacement	7,500		2003		
Cell Equipment – replacement	7,500		2003		
CCTV Equipment Replacement Programme	<u>30,000</u>		2002/2004		
	10,365,350				
Less					
Balance of Allocation at 30.4.01	<u>(3,359,527)</u>				
		7,005,823			

	Estimated Cost of Project £	Total of New Requests £	Possible Date of Approach to States/A&F	Estimated Annual Charge/ (Saving) on General Revenue £	Estimated Additional Number of Staff Required
<b>COMMITTEE FOR HORTICULTURE</b>					
Laboratory Refurbishment	100,000		2001		
Tree Decay Detecting Equipment	5,000		2001		
<b>Central Services</b>					
Vehicle Replacement	<u>15,000</u>		2001		
	120,000				
Less					
Balance of Allocation at 30.4.01	(100,907)				
Proposed Transfer from Revenue Unspent Balances	(412,548)				
Proposed Transfer to Board of Industry	<u>400,000</u>				
		6,545			
<b>HOUSING AUTHORITY</b>					
<b>Residential Homes</b>					
Room size modifications	40,000		2002		
<b>Building/Refurbishment Houses, Flats, etc.</b>					
Housing Association Grant – Delancey, Roseville, Rue des Marais					
	12,780,000		2001		
States Houses – Internal Refurbishments	7,300,000		2001		
States Houses – Drainage/Structural repairs	1,350,000		2001		
States Houses – External Refurbishments	1,120,000		2001		
Sheltered Housing Grant – Rosaire Avenue	5,000,000		2002		
Housing Association Grants – Other	18,000,000		2003		
Victoria Avenue – redevelopment of flats and infill	4,140,000		2003		
Infill Sites – New dwellings	1,800,000		2003		
Courtil Jacques – Phase III – Additional Sheltered Housing	<u>2,000,000</u>		2004		
	53,530,000				
Less					
Proceeds available from Sale of Incompatible Housing Stock	(1,633,714)				
Balance of Allocation at 30.4.01	<u>(5,742,688)</u>				
		46,153,598			
<b>INCOME TAX AUTHORITY</b>					
Tax System Reformation – Optical Character Recognition System					
	43,180		2001		
Document Archiving system	<u>400,000</u>		2002		
	443,180				
Less					
Balance of Allocation at 30.4.01	<u>(43,785)</u>				
		399,395			
<b>ISLAND DEVELOPMENT COMMITTEE</b>					
PC's/DIS Server – replacement	40,000		2001		
Business Continuity Plan Server	10,000		2001		
Computer equipment – replacement/upgrade	<u>45,000</u>		2002/2004		
	95,000				
Less					
Balance of Allocation at 30.4.01	<u>(1,810)</u>				
		93,190			

	Estimated Cost of Project £	Total of New Requests £	Possible Date of Approach to States/A&F	Estimated Annual Charge/ (Saving) on General Revenue £	Estimated Additional Number of Staff Required
<b>PUBLIC THOROUGHFARES COMMITTEE</b>					
Fort George – New Pumping station/Treatment Works	450,000		2001		
Branch Connections – construction	50,000		2001		
St Sampson Pumping Station rising main – replacement	450,000		2002		
Fountain Vinery Pumping Station rising main – upgrade	250,000		2002		
Belle Greve Pumping Station – upgrade	250,000		2002		
Vazon Pumping Station – upgrade	150,000		2002		
Sewer Connection Grants	100,000		2002		
Surface Water Manhole survey	70,000		2002		
Surface Water Sewer CCTV Survey	50,000		2002		
Red Lion Pumping Station – upgrade	45,000		2002		
Network Extension Plan	9,000,000		2002/2004		
Sewage Carts – replacement programme	825,000		2002/2004		
Contribution to Private Schemes	<u>300,000</u>		2002/2004		
	11,990,000				
Less					
Balance of Allocation at 30.4.01	<u>(1,139,765)</u>				
		10,850,235			
<b>RECREATION COMMITTEE</b>					
<b>Beau Sejour Park</b>					
Beau Sejour Centre – redevelopment	9,000,000		2001	(250,000)	(3.00)
North Bank Safety upgrade	15,000		2001		
Softball Pitch Fencing – replacement	15,000		2001		
Playground resurfacing	15,000		2001		
Tennis Courts resurfacing	60,000		2002		
Softball Pitch Tiered Seating – replacement	20,000		2002		
Outdoor Sports Pavillion Facilities – replacement	300,000		2004		
Site Enhancement – access and lighting upgrade	40,000		2004		
<b>Osmond Prialux Memorial Playing Field</b>					
Spectator Facilities	600,000		2001		
Changing Rooms/Clubhouse Facilities (with Hockey Club)	550,000		2001	5,000	NIL
Infield Pitch/Athletics Facilities upgrade	350,000		2001		
Groundsman's Store/Access and Parking upgrade	350,000		2002		
Eastern Boundary Fencing – replacement	12,000		2002		
<b>Delancey Park</b>					
Tennis/Netball Area – relocation	200,000		2001	3,000	NIL
Closed Cycling Circuit	60,000		2001		
Childrens Play Area equipment – replacement	120,000		2002		
Car Park Construction	90,000		2002		
Refreshment Kiosk Enhancement	50,000		2002		
Road Resurfacing	25,000		2002		
Gravel Paths Construction	15,000		2002		
Cricket Wicket – replacement	10,000		2003		
Bowling Green Enhancement	30,000		2004		
<b>Victoria Avenue</b>					
Chain Link Fencing – replacement	25,000		2002		
General Site upgrades	35,000		2003		
Cricket Wicket – replacement	10,000		2003		
<b>Other Projects</b>					
La Vallette Bathing Pools – Building upgrade	166,000		2001		

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	Estimated Cost of Project £	Total of New Requests £	Possible Date of Approach to States/A&F	Estimated Annual Charge/ (Saving) on General Revenue £	Estimated Additional Number of Staff Required
New Pistol Range	150,000		2001		
Fort Le Marchant Rifle Range Safety Barrier for Stop Butts	8,000		2001		
St Germain – New Cricket Pitch	5,000		2001		
School Site – Swimming Pool/Sports Hall	8,000,000		2003	160,000	1.00
KGV Indoor Cricket/Disabled Sports Facilities	250,000		2003		
KGV New Cricket Pitches	100,000		2003		
Fort Le Marchant Rifle Range Facility Upgrade	10,000		2003		
School Site – Netball/Tennis Facility	200,000		2004		
Rowing Club Storage Facilities – St Peter Port Harbour	100,000		2004		
La Vallette Bathing Pools – Pools upgrade	30,000		2004		
Playing Fields Equipment – replacement	40,000		2002/2003		
Sports Loan Fund	300,000		2002/2004		
Sports equipment – replacement	<u>50,000</u>		2002/2004		
	21,406,000				
Less					
Balance of Allocation at 30.4.01	<u>(1,546,229)</u>	19,859,771			
<b>SEA FISHERIES COMMITTEE</b>					
Patrol Vessel – refit	20,000		2002		
Outboard Engine – replacement	5,500		2002		
Ice plant	<u>200,000</u>		2003		
	225,500				
Less					
Balance of Allocation at 30.4.01	<u>(5,750)</u>	219,750			
<b>STATES TRAFFIC COMMITTEE</b>					
<b>Traffic Management</b>					
Traffic Signal – replacement programme	1,050,000		2001		
Les Banques – Traffic signals	80,000		2001		
Bosq Lane – Road Widening	55,000		2001		
St Julians Avenue scheme	40,000		2001		
St Martins Scheme	40,000		2001		
1 Vrangue Hill demolition	20,000		2001		
Waterfront Highway Improvements	900,000		2002		
Halfway and Victoria Avenue – Traffic signals	100,000		2002		
Le Val des Terres – Traffic Management	25,000		2002		
<b>Other</b>					
New Buses	3,150,000		2001		
Office Accommodation – additional	50,000		2001		
Office Accommodation – upgrading	25,000		2001		
IT Systems upgrade	20,000		2001		
Signs and Lines Database	50,000		2002		
Additional Bus Shelters	30,000		2002		
HGV Tests Off-road Manoeuvring Site – replacement	<u>20,000</u>		2003		
	5,655,000				
Less					
Balance of Allocation at 30.4.01	(810,330)				
Proposed Transfer from Revenue Unspent Balances	<u>(95,000)</u>	4,749,670			

	Estimated Cost of Project £	Total of New Requests £	Possible Date of Approach to States/A&F	Estimated Annual Charge/ (Saving) on General Revenue £	Estimated Additional Number of Staff Required
<b>TOURIST BOARD</b>					
Victor Hugo Centre	2,890,000		2001		
Interpretation Strategy – projects	300,000		2001		
Minor Enhancements projects	200,000		2001		
IT Strategy Implementation – Phases I and II	<u>26,000</u>		2002		
	3,416,000				
Less					
Balance of Allocation at 30.4.01	<u>(526,602)</u>				
		2,889,398			
<b>Total Additional capital allocations requested by States Committees for the period ending 31 December 2004</b>					
		<u>300,924,548</u>			

**APPENDIX XI****Details of the Board of Administration's plans for Capital Expenditure for the Ports for the period ending 31 December 2004.**

None of the following projects can proceed without the specific approval of the States and publication of the lists in this Report does not imply support for any individual project by the Advisory and Finance Committee.

	£	£	£
<b>AIRPORT</b>			
<b>2001</b>			
Airport Terminal Building Development	16,900,000		
Direction Finder – replacement	200,000		
ATC Recorders – replacement	145,945		
Medium Fire Appliance – replacement	120,000		
Administration Building – alterations	100,000		
Cargo Sheds – refurbishment	100,000		
Aircraft Recovery Lifting Bags – replacement	95,000		
Standby Generator – replacement	85,000		
Technical Block Air Conditioning Unit – replacement	70,000		
CAA Report Compliance – purchase of property	60,000		
AFTN Software – upgrade	50,000		
Uninterruptable Power Supply – upgrade	44,290		
Visual Control Tower – Windows replacement	35,000		
Floodlight Towers – replacement	30,000		
Emergency Gate Roadways – upgrade	28,454		
AFS Landrover – replacement	20,000		
AFS Recovery equipment – replacement	20,000		
Telecoms Test Equipment Phase III – replacement	20,000		
Technical Block Heating – replacement	14,700		
Meteorological Station Software – upgrade	12,000		
AFS Inflatable Emergency Shelter – replacement	10,000		
ATC Standby Battery Radios – replacement	10,000		
Thermal Imaging Camera	10,000		
Vehicle – replacement	<u>10,000</u>		
		18,190,389	
<b>2002</b>			
Runway resurfacing	3,000,000		
ATC Flight Data Stations – replacement	400,000		
Instrument Landing System runway 27 – replacement	375,000		
Airfield Lighting Upgrade – Phase III	200,000		
Small Fire Appliance – replacement	120,000		
ATC Inter-Island Communications – replacement	100,000		
Radio Transmitters/Receivers – replacement Phase II	100,000		
Telephone System – upgrade	30,000		
Administration Office Server – replacement	25,000		
Vehicle – replacement	<u>12,000</u>		
		4,362,000	

<b>2003</b>			
Airfield Approach Lighting – replacement	700,000		
Radar Software – upgrade	100,000		
Telecommunications Control System – replacement	100,000		
Vehicle – replacement	<u>13,000</u>		
		913,000	
<b>2004</b>			
ATC Communications Distribution System – replacement	300,000		
Ground Communication System – replacement	200,000		
Radar Display Software – upgrade	75,000		
Vehicle – replacement	<u>13,000</u>		
		<u>588,000</u>	
<b>Total new capital expenditure – Airport</b>			24,053,389
<b>HARBOUR OF ST. PETER PORT</b>			
<b>2001</b>			
New Jetty – repairs (Cladding replacement)	2,500,000		
Cranes refurbishment	300,000		
Mobile Crane – replacement	157,318		
Inter-Island Quay Waiting Room	<u>55,000</u>		
		3,012,318	
<b>2002</b>			
Office Accommodation – additional	1,200,000		
Linkspan No. 1 – Corrosion protection	250,000		
Toilet/Shower Block – replacement	250,000		
Cruise Liner Tender Landing facility	100,000		
Castle Breakwater Bridge – repairs	50,000		
Forklift Truck – replacement	<u>30,000</u>		
		1,880,000	
<b>2003</b>			
No 5 and No 6 Berths improvements	2,000,000		
Harbour Dredging and Pool deepening	550,000		
New Jetty – Passenger Gangway	200,000		
Maintenance Vehicle – replacement	<u>25,000</u>		
		2,775,000	
<b>2004</b>			
Forklift Truck – replacement	40,000		
Commercial Lorry – replacement	<u>22,000</u>		
		<u>62,000</u>	
<b>Total new capital expenditure – Harbour of St. Peter Port</b>			7,729,318
<b>HARBOUR OF ST. SAMPSON</b>			
<b>2001</b>			
St Sampson's Harbour Marina Development	2,000,000		
Longue Hougue Marina	<u>450,000</u>		
		<u>2,450,000</u>	
<b>Total new capital expenditure – Harbour of St. Sampson</b>			2,450,000
<b>Total Ports new capital expenditure</b>			<u>£34,232,707</u>

The States are asked to decide:

Whether, after consideration of the Report dated 1<sup>st</sup> June 2001, of the States Advisory and Finance Committee, they are of the opinion:

1. To re-affirm the Core Principles set out in Part 1 Section 2.2.4 of that Report as guidance for upholding the good reputation of the Island as an offshore financial centre.
2. To re-affirm approval of the **States Strategic Objectives** (previously contained in the Strategic and Corporate Plan) as set out in Part 1 Section 2.6 of that Report.
3. To approve the **States Corporate Practices** (previously contained in the Strategic and Corporate Plan) as set out in Part 1 Section 2.7 of that Report.
4. To instruct the States Advisory and Finance Committee to review the arrangements for the corporate prioritisation of major States projects and policy initiatives, and to prepare a corporate property plan for consideration by the States.
5. To approve the **States Corporate Policies** on Population, Energy and Law and Order (previously contained in the Strategic and Corporate Plan) as set out in Part 1 Section 2.9 of that Report.
6. To note the States Advisory and Finance Committee's intentions with regard to measuring the impact of States policies, including the establishment of Headline Indicators of Sustainable Development, as set out in Part One Section 3.2 of that Report.
7. To vote the States Advisory and Finance Committee the sum of £100,000 for Corporate IT Projects, such sum to be taken from that Committee's allocation for capital expenditure.
8. To approve an increase of £150,000 in the revenue expenditure budget for 2001 of the States Advisory and Finance Committee – General.
9. To approve an increase of £1,100,000 in the revenue expenditure budget for 2001 of the States Advisory and Finance Committee – Strategic and Corporate Measures.
10. To approve an increase of £300,000 in the revenue expenditure budget for 2001 of the States Agriculture and Countryside Board.
11. To approve an increase of £800,000 in the revenue expenditure budget for 2001 of the States Board of Industry.
12. To approve an increase of £100,000 in the revenue expenditure budget for 2001 of the States Heritage Committee.
13. That the overall level of ordinary expenditure on the General Revenue Account for 2002 shall not, except in so far as any excess shall arise by reason of increases in formula led costs:
  - (i) Exceed in aggregate the sum of £234,720,035.
  - (ii) Exceed in aggregate as respects each committee, the total sum stated against the name of that committee in the table in paragraph 5.3.13 of this Report.

14. Notwithstanding proposition 13 above, to grant the States Advisory and Finance Committee delegated authority to increase the revenue expenditure budget for 2002 of the States Liberation Celebrations Committee by a sum of up to £15,000.
15. That the States shall not, before 31 December 2004, consider requests for votes of expenditure on capital projects chargeable to the General Revenue Account other than requests for votes from the remaining balances of allocations already made by the States:
  - (i) Exceeding in aggregate the sum of £21,345,000.
  - (ii) Exceeding in aggregate as respects each committee, the amount stated against the name of that committee as a recommended allocation in paragraph 5.4.11 of that Report.
16. To vote the States Advisory and Finance Committee a credit of £60,000 to cover the additional costs of the major maintenance programme at Government House, such sum to be taken from that Committee's allocation for capital expenditure.
17. In respect of the Victoria Marina wave attenuation gates pursuant to States Resolution XXVIII of 1 October 1992 to sanction the situation and the overspending of £3,558.06 on that vote and agree that it be charged to the Ports Holding Account.
18. In respect of the redevelopment of Le Marchant Villas pursuant to States Resolution XIV of 13 February 1991 to sanction an overspending of £102,285 on that vote and agree that it be charged to the Housing Development and Loan Fund.
19. To note the Human Resources Plan as set out in Part 2 Section 6 of that Report.
20. To note the Information and Communications Technology Resource Plan as set out in Part 2 Section 7 of that Report.
21. To approve the "Strategic Land Use Plan" as set out in Part 2 Section 8 of that Report as the Strategic and Corporate Plan for the purposes of the Island Development Laws and all other legislation and instruments referring to that Plan.
22. To approve the revised expression of the mandate of the States Board of Administration and the revised mandate of the Guernsey Transport Board as presented in Appendix 1 of this Report.

DE V. G. CAREY  
Bailliff and President of the States

The Royal Court House  
Guernsey  
The 22<sup>nd</sup> June 2001

IN THE STATES OF THE ISLAND OF GUERNSEY

ON THE 19TH DAY OF JULY, 2001

The States resolved as follows concerning Billet d'Etat No. XV  
dated 22nd June, 2001

After consideration of the Report dated 1<sup>st</sup> June 2001, of the States Advisory and Finance Committee:-

1. To re-affirm the Core Principles set out in Part 1 Section 2.2.4 of that Report as guidance for upholding the good reputation of the Island as an offshore financial centre.
2. To re-affirm approval of the **States Strategic Objectives** (previously contained in the Strategic and Corporate Plan) as set out in Part 1 Section 2.6 of that Report.
3. To approve the **States Corporate Practices** (previously contained in the Strategic and Corporate Plan) as set out in Part 1 Section 2.7 of that Report.
4. To instruct the States Advisory and Finance Committee to review the arrangements for the corporate prioritisation of major States projects and policy initiatives, and to prepare a corporate property plan for consideration by the States.
5. To approve the **States Corporate Policies** on Population, Energy and Law and Order (previously contained in the Strategic and Corporate Plan) as set out in Part 1 Section 2.9 of that Report.
6. To note the States Advisory and Finance Committee's intentions with regard to measuring the impact of States policies, including the establishment of Headline Indicators of Sustainable Development, as set out in Part One Section 3.2 of that Report.
7. To vote the States Advisory and Finance Committee the sum of £100,000 for Corporate IT Projects, such sum to be taken from that Committee's allocation for capital expenditure.
8. To approve an increase of £150,000 in the revenue expenditure budget for 2001 of the States Advisory and Finance Committee – General.
9. To approve an increase of £1,100,000 in the revenue expenditure budget for 2001 of the States Advisory and Finance Committee – Strategic and Corporate Measures.
10. To approve an increase of £300,000 in the revenue expenditure budget for 2001 of the States Agriculture and Countryside Board.

11. To approve an increase of £800,000 in the revenue expenditure budget for 2001 of the States Board of Industry.
12. To approve an increase of £100,000 in the revenue expenditure budget for 2001 of the States Heritage Committee.
13. That the overall level of ordinary expenditure on the General Revenue Account for 2002 shall not, except in so far as any excess shall arise by reason of increases in formula led costs:
  - (i) Exceed in aggregate the sum of £234,720,035.
  - (ii) Exceed in aggregate as respects each committee, the total sum stated against the name of that committee in the table in paragraph 5.3.13 of this Report.
14. Notwithstanding Resolution 13 above, to grant the States Advisory and Finance Committee delegated authority to increase the revenue expenditure budget for 2002 of the States Liberation Celebrations Committee by a sum of up to £15,000, on the basis of one pound for each pound of sponsorship raised by that Committee.
15. That the States shall not, before 31 December 2004, consider requests for votes of expenditure on capital projects chargeable to the General Revenue Account other than requests for votes from the remaining balances of allocations already made by the States:
  - (i) Exceeding in aggregate the sum of £21,345,000.
  - (ii) Exceeding in aggregate as respects each committee, the amount stated against the name of that committee as a recommended allocation in paragraph 5.4.11 of that Report.
16. To vote the States Advisory and Finance Committee a credit of £60,000 to cover the additional costs of the major maintenance programme at Government House, such sum to be taken from that Committee's allocation for capital expenditure.
17. In respect of the Victoria Marina wave attenuation gates pursuant to States Resolution XXVIII of 1 October 1992 to sanction the situation and the overspending of £3,558.06 on that vote and agree that it be charged to the Ports Holding Account.
18. In respect of the redevelopment of Le Marchant Villas pursuant to States Resolution XIV of 13 February 1991 to sanction an overspending of £102,285 on that vote and agree that it be charged to the Housing Development and Loan Fund.
19. To note the Human Resources Plan as set out in Part 2 Section 6 of that Report.

20. To note the Information and Communications Technology Resource Plan as set out in Part 2 Section 7 of that Report.
21. To approve the "Strategic Land Use Plan" as set out in Part 2 Section 8 of that Report as the Strategic and Corporate Plan for the purposes of the Island Development Laws and all other legislation and instruments referring to that Plan.
22. To approve the revised expression of the mandate of the States Board of Administration and the revised mandate of the Guernsey Transport Board as presented in Appendix 1 of this Report.

**K.H. TOUGH,  
HER MAJESTY'S GREFFIER.**