



III
2010

BILLET D'ÉTAT

WEDNESDAY, 27th JANUARY, 2010

REQUÊTE – GOVERNANCE IN
THE STATES OF GUERNSEY

B I L L E T D ' É T A T

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 **27th JANUARY, 2010**, immediately after the meeting already convened for that day, to consider the item contained in this Billet d'État which has been submitted for debate.

G. R. ROWLAND
Bailiff and Presiding Officer

The Royal Court House
Guernsey
22 January 2010

REQUÊTE

GOVERNANCE IN THE STATES OF GUERNSEY

THE HUMBLE PETITION of the undersigned Members of the States of Deliberation SHEWETH THAT:

1. In February, 2009, the Public Accounts Committee announced that it had commissioned the Auditor General for Wales to review the governance arrangements of the States of Guernsey. The Auditor General stated that: “Good governance involves ensuring that the right things are done, in the right way, for the right people, in an open, honest, inclusive and timely manner.”
2. The review assessed governance arrangements using as a benchmark the following six principles of good governance set out in 2005 by the UK-based Independent Commission for Good Governance in Public Services, which according to the Auditor General have universal applicability to all public bodies:
 - a focusing on the organisation’s purpose and on outcomes for [islanders];
 - b performing effectively in clearly defined functions and roles;
 - c promoting values for the whole organisation and demonstrating the values of good governance through behaviour;
 - d taking informed, transparent decisions and managing risk;
 - e developing the capacity and capability of the governing body to be effective; and
 - f engaging stakeholders and making accountability real.
3. The Auditor General published his report on good governance in September, 2009. He concluded, inter alia, that the States does not yet fully comply with the aforementioned six principles of good governance. However, the Auditor General noted that: “The size of Guernsey gives it the potential to become a model of good governance and a benchmark for delivering flexible, islander-centred local services on a sustainable, value-for-money basis” – but only in the event that the States takes action to address the deficiencies identified in its governance arrangements.
4. Guernsey’s current machinery of government was introduced in 2004 following several States debates and many years of review and public consultation. The States resolved by a margin of 47 votes to 8 not to adopt a system of Cabinet/Executive government. Instead, the States voted to refine the system of government by committees which dates back many decades. Historically, and still today, politics in Guernsey has tended to feature deputies being elected as

independents and reaching decisions by consensus rather than within a party political environment.

5. In his report, the Auditor General stated: "...it is possible to have good governance arrangements within any democratic system of government." He also noted that: "The [six] principles do not dictate that Guernsey needs to follow any particular structural model." It is clear that Guernsey's present system of consensus, committees-based government is fully capable of operating under the principles of good governance.
6. In the opinion of your Petitioners, it is necessary for the States to address deficiencies in its governance arrangements as promptly as possible and with a view to meeting the aforementioned six principles of good governance.
7. It is the view of your Petitioners that effective governance arrangements can and should be established within Guernsey's existing system of government by committees and consensus.
8. In the view of your Petitioners it is necessary that a report containing proposals to improve governance arrangements within Guernsey's existing system of government by committees and consensus should be presented to the States of Deliberation. Further, it is the opinion of your Petitioners that such a report should be presented by the Public Accounts Committee in accordance with that part of its mandate under which it commissioned a review of governance arrangements early in 2009.

THESE PREMISES CONSIDERED, YOUR PETITIONERS humbly pray that the States may be pleased to resolve:-

To direct the Public Accounts Committee to report to the States of Deliberation during 2010 with recommendations for improving the governance arrangements of the States of Guernsey within the existing structure of government by committees and consensus and using as a benchmark the six recognised principles of good governance.

AND YOUR PETITIONERS WILL EVER PRAY

GUERNSEY

This 7th day of December, 2009

M J Fallaize
R W Sillars
A H Adam
A Spruce
R Domaille

J M Tasker
T M Le Pelley
A R Le Lievre
C A Steere
M G O'Hara

B M Flouquet
A H Brouard
G P Dudley-Owen
S J Ogier

(NB In pursuance of Article 17 of the Rules of Procedure, the views received from Departments and Committees consulted by the Policy Council, as appearing to have an interest in the subject matter of the Requête, are set out below.)

CULTURE AND LEISURE DEPARTMENT

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

29th December 2009

Dear Deputy Trott

GOVERNANCE IN THE STATES OF GUERNSEY

Thank you for your letter of 22 December with reference to the above. The deadline for a response of 6 January means that the Board of Culture and Leisure has not had the opportunity to discuss this in a formal Board meeting. You will be aware that Deputy Dudley-Owen and myself are signatories to the Requête.

Having sounded out the members of the Department; I can respond very briefly that the Board generally welcomes the opportunity for a debate in the States of Deliberation on this subject which will provide the opportunity for the States to show that they are committed towards taking steps towards improved governance.

Yours sincerely

Mike O'Hara
Minister

HEALTH AND SOCIAL SERVICES DEPARTMENT

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

5th January 2010

Dear Deputy Trott

GOVERNANCE IN THE STATES OF GUERNSEY

Thank you for your letter of 22 December 2009, enclosing a copy of a Requête on the above subject.

As you will be aware, both my Deputy Minister and I signed this Requête.

The Board of the Health and Social Services Department appreciates the opportunity to comment on the Requête but does not wish to do so on this occasion. Individual members of the HSSD will, therefore, make any comments they wish during the debate.

Yours sincerely

A H Adam
Minister

EDUCATION DEPARTMENT

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

5th January 2010

Dear Deputy Trott

REQUÊTE: GOVERNANCE IN THE STATES OF GUERNSEY

The Education Board unanimously supports the six recognised principles of good governance. The Board considers that it should be for its individual members to express

their views on improving the governance arrangements of the States of Guernsey within the existing structure of government by committees and consensus during the debate on the Requête in the States.

Yours sincerely

C A Steere
Minister

HOME DEPARTMENT

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

6th January 2010

Dear Deputy Trott

Re: GOVERNANCE IN THE STATES OF GUERNSEY

Thank you for your letter of 22nd December 2009 inviting the Department's comments in regard to the proposed "Governance in the States of Guernsey" Requête.

In consideration that the topic is predominantly one of a political nature, no Home Department staff recommendation is put forward.

Following consultation, Home Department members have not offered further comment, however individual members will have the opportunity to meet with the Welsh Audit Office later this month at which they will have opportunity to express comment at that stage.

Yours sincerely

G H Mahy
Minister

SOCIAL SECURITY DEPARTMENT

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

11th January 2010

Dear Deputy Trott

GOVERNANCE IN THE STATES OF GUERNSEY

Thank you for your letter of 22 December 2009, enclosing a copy of the Requête titled as above and inviting comments.

The Social Security Department has decided that it does not wish to make a collective comment on the Requête.

Yours sincerely

M H Dorey
Minister

COMMERCE AND EMPLOYMENT DEPARTMENT

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

12th January 2010

Dear Deputy Trott

GOVERNANCE IN THE STATES OF GUERNSEY

I refer to your letter requesting comments that the Department may have on the attached Requête, which seeks to establish that addressing the accepted principles of good governance is carried out within a consensus/committee system of Government.

This matter was considered at the Commerce and Employment Board meeting held today and it was agreed that whilst the Department would emphasise its commitment to good corporate governance, it would not wish to comment on the Requête therefore enabling members to comment as they feel appropriate during the debate.

Yours sincerely

Carla McNulty Bauer
Minister

HOUSING DEPARTMENT

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

13th January 2010

Dear Deputy Trott

GOVERNANCE IN THE STATES OF GUERNSEY

I refer to your letter dated 22 December 2009, inviting the Housing Department to comment on a Requête entitled “Governance in the States of Guernsey”.

The Requête was considered by the Housing board at its meeting held on 7 January 2010.

The board had no comments to offer from a departmental perspective, but board members will express their individual views on the subject when the Requête is discussed by the States.

Yours sincerely

D Jones
Minister

STATES ASSEMBLY AND CONSTITUTION COMMITTEE

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

5th January 2010

Dear Deputy Trott

Thank you for your letter of the 22nd December 2009 regarding the Requête signed by Deputy M J Fallaize and 13 other Members of the States entitled Governance in the States of Guernsey.

The purpose of the Requête, as set out in the prayer, does not fall directly within the mandate of the States Assembly and Constitution Committee. The Committee nonetheless expects that dependent on the outcome of any review of the governance arrangements of the States it may be necessary for it, as a consequence thereof, to review the Rules relating to the Constitution and Operation of States Departments and Committees to ensure that those Rules are consonant with any revised governance arrangements.

Yours sincerely

Ivan Rihoy
Chairman

SCRUTINY COMMITTEE

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

5th January 2010

Dear Deputy Trott

GOVERNANCE IN THE STATES OF GUERNSEY

I refer to your letter dated 22nd December requesting, in line with Rule 17 of the Rules of Procedure, the Committee's views on the requete entitled "Governance in the States of Guernsey".

The only member of the Scrutiny Committee to have signed the requete is Deputy Fallaize. He has, therefore, been excluded from the framing of the Committee's response to the requete, as have Deputies Garrett and Storey in view of their membership of the Public Accounts Committee.

The Wales Audit Office review report on good governance has implications for all States Departments and Committees, but it is currently without any recommendations, sense of direction, or clear route map for action, by which progress can be monitored and practitioners held to account. The requete is in line with the view of the Scrutiny Committee, as expressed in previous correspondence with the Public Accounts Committee, in seeking to place the responsibility for moving forward with this governance review firmly with the Public Accounts Committee, as the body that commissioned the review report.

The Scrutiny Committee has raised with the Public Accounts Committee its concern that the lack of any clear direction has prompted an unhelpful polarity of opinion based around the fundamental structure of government and whether a move to an executive rather than consensus model is required. Unfortunately, these arguments ignore the governance issues identified in the report and move the focus away from the real problems relating to corporate and strategic direction; information and communications; transparency; decision-making; coordination; performance; and accountability, to name a few of the key themes from the review findings.

The States of Guernsey might benefit from a discussion, at a future date, about the merits or otherwise of changes to the system of government, which is properly in the mandate of the Policy Council to bring forward for discussion. However, that is not

what the Wales Audit Office report is about and would not be a panacea to the governance issues identified.

The Scrutiny Committee believes that it is incumbent upon every Department and Committee to commit to improving governance and with immediate effect. This would be the case regardless of what system of government may be in place. Therefore, the Committee would be supportive of the requerants' prayer to focus efforts on applying the principles of good governance within the current consensus/committee model of government.

The Scrutiny Committee's understanding is that the Public Accounts Committee's intention is to now take a lead in driving the review forward to its conclusion and its plans are not inconsistent with the prayer of this requete.

Yours sincerely

B L Brehaut
Chairman

PUBLIC ACCOUNTS COMMITTEE

The Chief Minister
Policy Council
Sir Charles Frossard House
La Charroterie
St Peter Port

6th January 2010

Dear Deputy Trott

GOVERNANCE IN THE STATES OF GUERNSEY - FALLAIZE REQUETE

Thank you for the letter dated 22 December 2009 inviting comment from the Public Accounts Committee in relation to the prayer of the Fallaize Requête and seeking to direct this Committee to report to the States recommendations on the governance arrangements within the existing structure of government by committees and consensus against the six recognised principles of good governance.

Before referring to the prayer of the Requête, I should like to outline the role of the Public Accounts Committee and the requirement to maintain independence and an

apolitical approach to its work, born out by the Committee including non-political representation within its membership, elected by the States of Deliberation.

The Committee was set up in May 2004 with its mandate including the following:

- “a) i) To ensure that proper scrutiny is given to the States’ assets, expenditure and revenues to ensure that States’ bodies operate to the highest standards in the management of their financial affairs.
- ii) To examine whether public funds have been applied for the purposes intended by the States and that extravagance and waste are eradicated.....
- c) To develop, present to the States for approval as appropriate, and implement policies on the above matters which contribute to the achievement of strategic and corporate objectives.”

...in order to ensure that the decisions taken by the States of Deliberation provide the taxpayer with value for money.

No matter is outside the Committee’s remit as all aspects of government have a cost, and therefore the fiscal efficiency and effectiveness of governmental actions can be questioned. Thus, the manner and method of government, if it be not to the highest standard, will incur unwarranted expense which can only be funded by the taxpayer.

Now moving to the prayer of the Requête. Although the Requête indicates that the Public Accounts Committee announced it had commissioned the Auditor General for Wales to review the governance arrangements of the States of Guernsey in February 2009, the lead in for the review has been much longer than that inferred by the wording of the Requête.

Whenever there has been an opportunity, the Committee has actively been encouraging the States to consider Corporate Governance. In its third annual report within Billet d’Etat XX September 2007 the Public Accounts Committee said *“In order to be open and transparent, it is important that government adopts the criteria from corporate governance, particularly in the areas of accountability and risk management, and applies these in its operations.”*

The following year in its fourth annual report (Billet d’Etat VII, 28 May 2008, the Public Accounts Committee indicated that it would be carrying out a review of governance within the States of Guernsey. In September 2008 as part of the process to establish a framework agreement for providers of its independent reviews, the Public Accounts Committee requested that each organisation invited to bid for work would give a presentation on how they would approach a governance review. The Auditor General for Wales was ultimately selected to carry out the good governance review and began preparing for the review in early January 2009. In fact the first visit of the Welsh team was the 6/7 January 2009.

The Public Accounts Committee received letters from three deputies, met with all three, albeit at different times, received advice from the former HM Procureur and his team, answered questions in the States Assembly, but all after the evidence had been gathered on the governance structure within the States of Guernsey. It was this representation which led to the Committee passing the report to Policy Council to progress to the next stage. The Policy Council wrote to the Public Accounts Committee on 21 October 2009 indicating that the Committee should compile its own report.

Please note that the dates for the next stage were mooted in early November 2009 in order to ensure that the Auditor General for Wales and his team were available to help the Public Accounts Committee take this forward and that the Chief Minister was able to participate during January 2010. The Public Accounts Committee considered and approved its action plan on 3 and 4 December 2009, drafting a letter to Policy Council and a press release on the Friday afternoon ready for release on the Monday morning 7 December 2009.

It was with some surprise that shortly after putting the final arrangements in place that the Committee received copy of this Requête (morning 7 December 2009). The Committee is disappointed that only one of the Requerants has seen fit to consult with the Committee or its officers and that no other contact has been made by the other 13 signatories to seek the views of the Committee or to ascertain what action it (the Committee) was taking.

With regard to the final paragraph of your letter, since first publishing the report in early September 2009 and subsequent to your letter of 21 October 2009 when the Policy Council handed the report back to the Public Accounts Committee to take forward, the Committee has spent much time considering how to progress the review. It has been decided that gathering views and opinions from as many individuals and organisations as possible, to present to the States of Guernsey is the best way forward. The debate on the Requête would only add to its evidence gathering, should the Requête be discussed.

In summary the Committee is of the opinion that the political ramifications of the various forms of government are outside its mandate, except where the fiscal benefits of one system over another are concerned. However, if having gathered all the evidence the Committee considers a particular system can produce financial benefits for the taxpayer, it can recommend others taking the matter further, and then it may do so. The Committee had considered placing a sursis to delay discussion of the Requête and also whether they should amend the Requête, but on reflection believes that it should not seek to stifle and delay informed debate.

Yours sincerely

Leon Gallienne
Chairman

(NB The Policy Council has no comment on the proposal.)

(NB The Treasury and Resources Department has no comment on the proposal.)

The States are asked to decide:-

Whether, after consideration of the Requête dated 7th December 2009, signed by Deputy M J Fallaize and thirteen other Members of the States, they are of the opinion:-

To direct the Public Accounts Committee to report to the States of Deliberation during 2010 with recommendations for improving the governance arrangements of the States of Guernsey within the existing structure of government by committees and consensus and using as a benchmark the six recognised principles of good governance.