



BILLET D'ÉTAT

WEDNESDAY, 26th MAY 2010

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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 **26th MAY, 2010**, immediately after the meeting of the States of Election already convened for that day, to consider the items contained in this Billet d'État which have been submitted for debate.

G. R. ROWLAND
Bailiff and Presiding Officer

The Royal Court House
Guernsey
7 May 2010

THE LIQUOR LICENSING (AMENDMENT) ORDINANCE, 2010

The States are asked to decide:-

I.- Whether they are of the opinion to approve the draft Ordinance entitled “The Liquor Licensing (Amendment) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.

**THE HOUSING (CONTROL OF OCCUPATION)
(AMENDMENT OF HOUSING REGISTER) ORDINANCE, 2010**

The States are asked to decide:-

II.- Whether they are of the opinion to approve the draft Ordinance entitled “The Housing (Control of Occupation) (Amendment of Housing Register) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.

**THE REHABILITATION OF OFFENDERS (BAILIWICK OF GUERNSEY)
(AMENDMENT) ORDINANCE, 2010**

The States are asked to decide:-

III.- Whether they are of the opinion to approve the draft Ordinance entitled “The Rehabilitation of Offenders (Bailiwick of Guernsey) (Amendment) Ordinance, 2010” and to direct that the same shall have effect as an Ordinance of the States.

LADIES’ COLLEGE BOARD OF GOVERNORS

NEW CHAIRMAN AND MEMBERS

The States are asked:-

IV.- To elect

1. a sitting member of the States as Chairman of the Ladies’ College Board of Governors to fill the vacancy which will arise on 1st June, 2010, by reason of the expiration of the term of office of Deputy P L Gillson, who is eligible for re-election;
2. a member of that Board of Governors to fill the vacancy which will arise on 1st June, 2010, by reason of the expiration of the term of office of Dame Mary L Perkins, who is eligible for re-election;
3. as a member of that Board of Governors with effect from 1st June, 2010, Deputy J Honeybill who has been nominated in that behalf by the Education Department for election by the States.

GUILLE-ALLÈS LIBRARY COUNCIL

NEW MEMBER

The States are asked:-

V.- To elect a sitting member of the States as a member of the Guille-Allès Library Council to fill the vacancy which will arise on 1st June, 2010, by reason of the expiration of the term of office of Deputy J M Tasker, who is eligible for re-election.

ADMINISTRATIVE DECISIONS (REVIEW) (GUERNSEY) LAW, 1986

NEW CHAIRMAN AND DEPUTY CHAIRMAN OF PANEL OF MEMBERS

VI.- To elect, in accordance with the provisions of section 4 (2) of the Administrative Decisions (Review) (Guernsey) Law, 1986:-

1. a Chairman of the Panel of Members, who shall be a sitting member of the States of Deliberation and who has held a seat in the States for a period of three years or more, to fill the vacancy which will arise on 1st June, 2010, by reason of the expiry of the term of office of Deputy R R Matthews, who is eligible for re-election;
2. a Deputy Chairman of that Panel, who shall be one of the Deans of the Douzaines but who shall not have a seat in the States, to fill the vacancy which will arise on 1st June, 2010, by reason of the expiry of the term of office of Douzenier R A R Evans, who is eligible for re-election.

(NB The Deans of the Douzaines are Douzeniers R A R Evans, R L Heaume, J E Foster, M A Ozanne, Mrs B J Hervé, N N Duquemin, P I Le Tocq, N M Dorey, S J Bichard and G C Le Mesurier.)

POLICY COUNCIL

APPOINTMENT OF ENVIRONMENTAL AND PUBLIC HEALTH APPEALS PANEL

Executive Summary

1. The Policy Council, in accordance with the Environmental Pollution (Guernsey) Law, 2004 (“the Law”), recommends in this Report ten independent persons to form the Environmental and Public Health Appeals Panel (“the Panel”) which is required to be drawn up and maintained by the States under the Law.
2. The Policy Council also recommends in this Report that one member of the Panel be designated as President of the Panel and that a second member be designated as vice-President as required under the Law. The President, or vice-President in his absence, has various procedural duties under the Law in relation to appeals e.g. the Director of Environmental Health and Pollution Regulation (“the Director”) must send a copy of the appeal documents to him and request him to select the three Panel members to form the Tribunal.

Legal Requirements

3. The Environmental Pollution (Guernsey) Law, 2004 (“the Law”), with the exception of Parts VI – Water Pollution, VII – Air Pollution and VIII Pollution by Sound, Light, etc, came into force on 26 July 2006. In effect, only the administrative, enforcement and waste management parts of the Law are currently fully in force. It is anticipated that proposals to bring the remaining parts of the Law into force will be brought to the States later this year.
4. At their December 2009 meeting the States approved supplementary proposals from the Health and Social Services Department to enable the completion of drafting of a waste disposal Ordinance to control certain activities in relation to waste including its disposal, collection or removal including procedural provisions in relation to appeals and enforcement of the Ordinance. The Ordinance entitled “The Environmental Pollution (Waste Control and Disposal) Ordinance, 2010”, which is included in Billet d’État IX of 2010, sets out the administrative framework for the operation of the Panel and Tribunal and will come into force on 1st June, 2010 if approved by the States in April.
4. As the new waste licensing regime should, therefore, be in force by 1st June, 2010, it is considered that the States should be asked to appoint the members of the Environmental and Public Health Appeals Panel (“the Panel”) and designate a President and a vice-President of the Panel from amongst them. This will mean that the Panel will be in place in adequate time to consider any appeals made in relation to waste licensing and certain other decisions made by the Director.

5. Section 25 of the Law provides that a person aggrieved by a decision of the Director of Environmental Health and Pollution Regulation made in carrying out his functions may appeal to the Environmental and Public Health Appeals Tribunal (“the Tribunal”). (There is also provision for an appeal to the Royal Court where the appeal concerns exclusively a question of law). The Tribunal is appointed from the membership of the Panel.
6. Sections 24 (1) to (4) the Law provide:-

“Establishment of the Environmental and Public Health Appeals Panel and Tribunal

24. (1) The States shall, on the recommendation of the Policy Council¹, draw up and maintain a panel to be called the Environmental and Public Health Appeals Panel (referred to in this Law as “**the Panel**”).

(2) The Panel shall consist of such number of persons as in the opinion of the States is necessary for the purpose of hearing and determining appeals under the provisions of section 25.

(3) The members of the Panel shall be persons who have experience and knowledge relevant to environmental and public health activities and the regulation thereof and who are independent of any licensee.

(4) No member of the States of Deliberation or the States of Election within the meaning of the Reform (Guernsey) Law, 1948, or the States of Alderney or the Chief Pleas of Sark, may be a member of the Panel.”

7. Section 8 of the Environmental Pollution (Waste Control and Disposal) Ordinance, 2010 provides that, when drawing up the Panel, the States shall designate one of the members as President of the Panel and another as vice-President.

The Selection Process

8. The Policy Council concluded that, in light of the range of specialities covered by the Law it would be appropriate to recommend as many as ten persons for appointment by the States to form the Panel and that these persons should include a number with wider public health and environmental pollution backgrounds to anticipate Parts VI, VII and IX of the Law (as referred to in paragraph 3 of this Report) coming into force. As the persons to be appointed to

¹ Responsibility transferred to the Policy Council by the Machinery of Government (Transfer of Functions) (Guernsey) Ordinance, 2003

the Panel are required to have experience and knowledge relevant to environmental and public health activities and regulation, the Policy Council approved a process by which candidates could be identified and requested the Director of Environmental Health and Pollution Regulation, in view of her relevant expertise, to advise on the persons likely to have relevant expertise and knowledge.

9. In November 2009, advertisements were placed in the professional journals of the Chartered Institution of Wastes Management (CIWM) and the Chartered Institute of Environmental Health (CIEH) together with a notice in the La Gazette Officielle. Sixteen applicants matched the specification although two withdrew during the process.
10. Interviews were conducted by the Director and the Waste Regulation Manager at the CIEH head quarters in London, as a result of which ten persons were chosen for consideration by the Policy Council. Both the CIEH and the CIWM provided independent assessors for the interview process, who agreed the final selection.
11. Of the ten people selected following interview, three have very specialised waste management experience. The other seven have extensive experience in waste management but also have wider environmental protection/public health/legal experience. Some of the interviewees are in employment with UK Local Authorities, UK Government Environment Agencies or in private Consultancies and were required to demonstrate that there would be no conflict of interest to their appointment in Guernsey.
12. One of the ten people selected, Mrs. Susan Barton, demonstrated excellent technical experience as well as organizational management skills and was identified as a potential President of the Panel.
13. Another of the ten people selected is Mr David Purchon who served as a Member of the 2004 Panel of Inquiry into 'The Future of Solid Waste Disposal in Guernsey', on the nomination of the CIEH. The recommendation of Mr Purchon's appointment to the Environmental and Public Health Appeals Panel is as an independent consultant. Mr Purchon was also identified as a potential vice-President.
14. Having considered the outcome of the selection process, the Policy Council has agreed to recommend the ten persons selected for appointment by the State to form the Panel. A summary of their details is attached as Appendix 1.

Recommendation

15. In accordance with the provisions of Section 24 (1) of the Environmental Pollution Law, 2004 and Section 8 of the Environmental Pollution (Waste

Control and Disposal) Ordinance, 2010, the Policy Council recommends that the States

- (1) Appoint the following as Members of the Environmental and Public Health Appeals Panel -
 - i) Mrs. Susan Barton
 - ii) Dr. Patrick Collison
 - iii) Paul Cowper
 - iv) John Harrison
 - v) Andrew Law
 - vi) Huw Morgan
 - vii) Patrick Pointer
 - viii) David Purchon
 - ix) David Walton
 - x) Dr. Roger Watson
- (2) Designate Mrs Susan Barton as President of the Panel
- (3) Designate Mr David Purchon as vice-President of the Panel.

L S Trott
Chief Minister

12th April 2010

Appendix 1**ENVIRONMENTAL AND PUBLIC HEALTH APPEALS PANEL AND TRIBUNAL**

The following named persons are recommended for appointment.

President of the Panel**Mrs. Susan Barton**

Currently employed by Kent County Council as Head of Waste Management.

Chartered member of the CIEH, CIWM and a Chartered Environmentalist.

Holds, BSc Hons in Environmental Health, MSc in Environmental Pollution Science and the MBA. ISO 9000 Lead Assessor and NVQ level 5 in Management Coaching.

32 years experience in environmental pollution and waste management. Led numerous human resources tribunals.

Panel Members**Dr. Patrick Collison**

Currently employed by ATM Safety and Environment consultants.

Chartered member of the CIWM.

Holds BSc Hons in Geology and Biology of Man, PhD (Geochemical aspects of landfill waste disposal).

30 years experience in waste management.

Paul Cowper

Currently working as a Solicitor -advocate in environmental issues with law firm-Lowless and Lowless.

Holds the LLB degree and passed Solicitors professional examinations in1981.

Led the Solicitors group for the ‘Sea Empress disaster ‘and part time Judge on the Mental Health Review Tribunals, represented patients during tribunals, also DEFRA's tribunals for the Nitrates Directive.

Over 25 years experience in Law on environmental issues.

John Harrison

Currently employed as an Area Environment Manager for the Environment Agency in Wales.

Chartered member of the CIEH, CIWM, Chartered Environmentalist, member of the International Solid Waste association.

Holds the CIEH Dip EH, CIEH Post Graduate Dip in Health and Safety, Royal Society of Public Health (RSPH) Post Graduate Dip in Air Pollution Control, MBA.

32 years experience in Environmental health and waste management.

Andrew Law

Currently employed by Argyll and Bute District Council as Strategic Director of Operational Services.

Chartered member of the Royal Environmental Health Institute of Scotland (ChEHO MREHIS), CIWM, SQA Assessor in Waste Management.

Society of Local Authority Chief Executives in Scotland (SOLACE) Waste Management group.

32 years experience in environmental health and waste management.

Huw Morgan

Currently employed as the Pollution Control Divisional Officer for Swansea City Council.

Chartered member of the CIEH,

Holds the CIEH Dip in EH, RSPH Post graduate Dip in Air Pollution Control, Member of the Institute of Acoustics.

34 Years experience in environmental health, air pollution and acoustics.

Patrick Pointer

Currently employed as Managing Director of C & P Environmental Ltd.

Holds a BA in Chemistry, Economics and Technology.

Has worked closely with Defra and the Environment Agency on various projects including the EU Landfill Directive.

30 years experience in waste management.

David Purchon

Currently working in public health and environmental health consultancy, formerly Director of Environmental Services for Sheffield City Council.

Chartered member and Fellow of the CIEH, Fellow of the RSPH. Member of the Institute of Acoustics.

Holds the CIEH Dip in EH, RSPH Post graduate Dip in Air Pollution Control, Dip in Public Health, Post graduate Diploma in Social Studies.

45 years experience in environmental health, pollution control and acoustics.

David Walton

Currently a Director with KEW Environment and Training Consultancy, involved in training, sustainability and waste management research. Is currently Chairman of the CIEH Qualifications Board and an affiliate Inspector for the Audit Commission Inspection Service. Previously Head of the Environment Policy Unit, Brecklands Council.

Chartered member of the CIEH and a member of the Institute of Acoustics.

Holds the CIEH Dip in EH, MSc, Diploma in Management Studies, Diploma in Acoustics and Noise Control

33 years of experience in environmental health, waste management and policy.

Dr. Roger Watson

Currently an environmental consultant. Previously Director of Environment for the Port and City of London.

Chartered member of the CIEH, Fellow of the RSPH, Fellow of the Association of Port Health Authorities.

Holds the CIEH Dip in EH, BA degree, RSPH Post grad Dip in Air Pollution Control, Advance Management Development Diploma, MSc in Environmental Control and Public Health, Professional Doctorate in Estuarial Environmental Control.

35 years experience in environmental health, port health air pollution and acoustics.

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

The States are asked to decide:-

VII.- Whether, after consideration of the Report dated 12th April, 2010, of the Policy Council, they are of the opinion:-

1. To appoint the following as Members of the Environmental and Public Health Appeals Panel -
 - i) Mrs. Susan Barton
 - ii) Dr. Patrick Collison
 - iii) Paul Cowper
 - iv) John Harrison
 - v) Andrew Law
 - vi) Huw Morgan
 - vii) Patrick Pointer
 - viii) David Purchon
 - ix) David Walton
 - x) Dr. Roger Watson.
2. To designate Mrs Susan Barton as President of the Panel.
3. To designate Mr David Purchon as vice-President of the Panel.

HOUSING DEPARTMENT

CORPORATE HOUSING PROGRAMME – PROGRESS AGAINST THE 2009 ACTION PLANS AND FUTURE STRATEGY

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

23rd March 2010

Dear Sir

EXECUTIVE SUMMARY

1. This Report is the first of the new biennial updates on the Corporate Housing Programme (CHP). Whilst its primary purpose is to provide a summary overview on the progress of each CHP Action Area, the emphasis is on the strategic focus of current and future workstreams.
2. In particular, the Report emphasises that the CHP is not a discrete checklist of actions to be carried out in isolation: its objectives and workstreams affect the day-to-day work of all departments involved in its delivery. Consequently, it is essential that any work that needs to be undertaken in pursuit of CHP goals is referenced either in the States Strategic Plan (SSP) or in departments' Operational Plans, to ensure that the CHP workstreams are fully integrated within the SSP architecture.
3. Importantly, the Report enables the States to examine how it is planned that CHP monies will be spent, by setting out the anticipated expenditure for each of the different CHP workstreams over the next five years (2010-2014).
4. In addition, the Housing Department has taken this opportunity to recommend some changes to the manner in which the CHP is financially administered that, hopefully, will assist the States' understanding of how the CHP operates.
5. The Housing Department also sets out the results of reviews it has undertaken into the operation of the States Home Loans Scheme and the First-Time Buyers' Grant Scheme, recommending that the provision of States' loans for house purchase or home improvements cease with immediate effect. It also recommends the discontinuation of the First-Time Buyers' Grant Scheme with immediate effect.

6. Finally, as directed by the States, the Report addresses the outstanding question of whether the Housing Department should be required to pay the costs of acquiring any States-owned land or property not under its control that is to be used for housing development purposes: it recommends that a discounted payment should be made.

INTRODUCTION

7. The CHP was approved by the States in 2003¹ as a practical framework for implementing the States Housing Strategy (Appendix 1) through coordinated action by States' departments, non-governmental organisations, voluntary groups and the private sector.
8. When the States considered the last CHP update in December 2008² the Housing Department expected future updates to be incorporated into Government Business Plan (GBP) reports, on the grounds that many CHP workstreams fell under GBP Priority 4 ('Redistribute wealth wisely in the community'). However, when the GBP was superseded by the States Strategic Plan (SSP) it was decided that the CHP update was sufficiently wide-ranging as to justify a separate States Report – one that would be published every two years in advance of that summer's SSP³.
9. This Report is thus the first of the new biennial CHP updates. Whilst its primary purpose is to provide an update on the progress of each Action Area, there is a new emphasis on strategic issues, future workstreams and costs.
10. In addition, the Housing Department has taken this opportunity to recommend some changes to the manner in which the CHP is financially administered that, hopefully, will assist the States' understanding of how the CHP operates.
11. Otherwise, administratively, the CHP continues to be split into six Action Areas. All six cut across multiple departmental mandates, but each has assigned to it at least one 'lead department' that is responsible for ensuring that progress is made.
12. However, the Housing Department remains responsible for: overall coordination of the CHP; managing the priorities within it; and helping other departments achieve their Action Area objectives.

¹ States Advisory and Finance Committee and the States Housing Authority 'The Development of a Housing Strategy and Corporate Housing Programme' – Billet d'État II, February 2003.

² Housing Department 'Corporate Housing Programme – Progress Against the 2008 Action Plans' – Billet d'État XVIII, December 2008.

³ Policy Council 'Strategic Plans for Fiscal and Economic Policy, Social Policy and Environmental Policy' - Billet d'État XVIII, July 2009.

STRATEGIC OVERVIEW

13. The Social Policy Plan⁴ includes a number of core values and strategic social policy objectives that are translated into action through the CHP. Clearly, the principal social policy objective that can be achieved through the CHP is to:
 - Improve housing availability, quality and affordability
14. However, there are a number of other core values and strategic social policy objectives that can also be addressed through the CHP; namely, to:
 - Foster an inclusive and caring society which supports communities, families and individuals;
 - Promote active and engaged citizenship;
 - Promote, and remove barriers to, social inclusion and social justice;
 - Meet welfare needs and reduce poverty;
 - Maintain a healthy society and safeguard vulnerable people.
15. Furthermore, there are aspects of the CHP which are influenced by States Fiscal and Economic Policy, e.g. the effects of property and other taxes on house prices and private sector rentals; while other aspects accord with the States' Environmental and Energy Policies, e.g. the core objective of reducing overall energy usage and to minimise wastage has been embraced in all new social housing developments undertaken by the Guernsey Housing Association, and by the Housing Department in the ongoing upgrading of its older housing stock.
16. The CHP is thus not a discreet checklist of actions to be carried out in isolation; its objectives and workstreams affect the day-to-day work of all departments involved in its delivery. Consequently, it is essential that any work that needs to be undertaken in pursuit of CHP goals is referenced either in departments' operational plans or in the SSP itself; otherwise, there is a risk that the CHP workstreams will not be fully integrated within the SSP architecture.
17. **Accordingly, in approving this Report, the States is asked to direct that CHP workstreams be included in the States Strategic Plan and/or relevant departments' Operational Plans, as appropriate.**

⁴ Policy Council 'States Strategic Plan 2009-2013' – Billet d'État XXVI, October 2009.

FUNDING OF THE CHP

A strategic view of CHP funding

18. Before considering the progress made against previous objectives or setting out future workstreams, it is important to set the CHP within the States' wider financial context.
19. In its Report on the SSP in October 2009, the Policy Council said the following with regard to the CHP:

'The CHP manages the implementation of the States Housing Strategy across a broad front. It involves an ongoing process of management and investment to meet Guernsey's many different housing needs rather than the implementation of discreet individual projects. The CHP's continuing success requires sufficient certainty about the future availability of funding to avoid the wastefulness and disruption of a stop/go approach. The Housing Department recognises, however, that sufficient "certainty" cannot amount to complete certainty in the current economic and public finance situation. In effect, there is going to be less predictability than the CHP has been able to rely on over recent years⁵.'

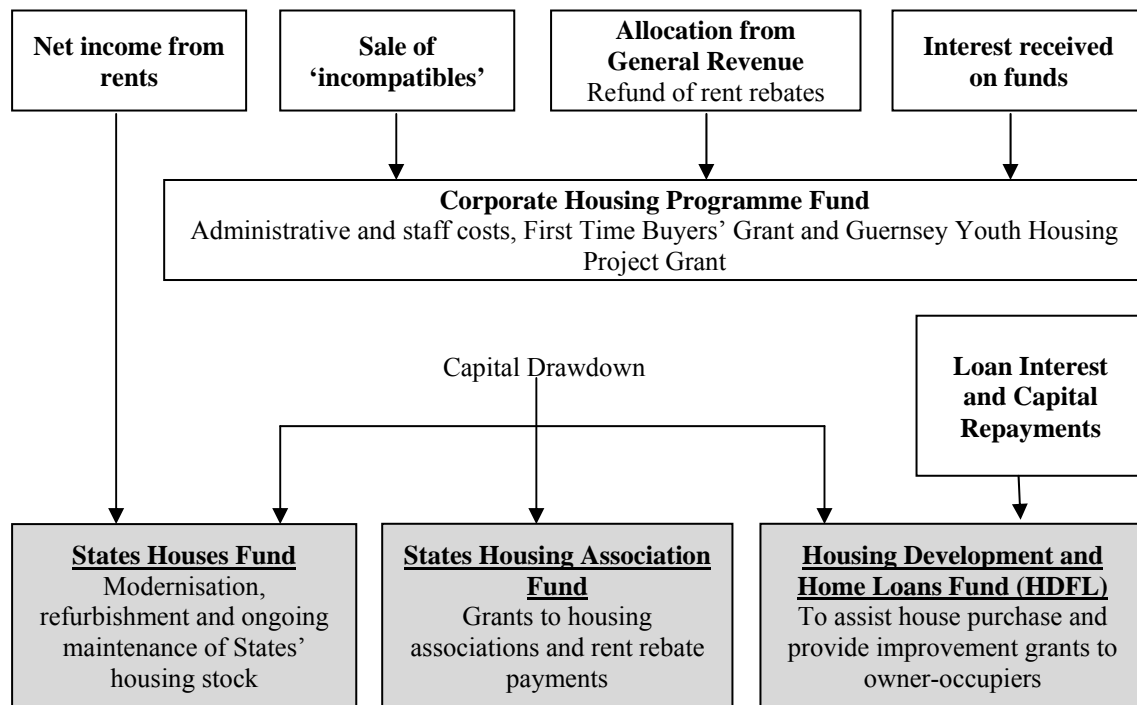
20. Accordingly, in acknowledging the importance of the CHP within the context of the SSP, the Policy Council made clear that any bids for additional General Revenue funding would be considered as part of the SSP process via inclusion in the Social Policy Plan. This Report goes further than this.
21. First, it explains that the 2010 General Revenue allocation of £8.0 million to the CHP Fund will be sufficient to meet the CHP's immediate expenditure needs, albeit it is a substantially lesser figure than existing funding arrangements had identified as necessary for this purpose (£9.86 million).
22. Secondly, the Report explains that provided existing funding arrangements remain in place, it is anticipated that an allocation of £8.0 million per annum will be sufficient to meet the planned CHP expenditure for the 5-year period 2010-2014, i.e. it is expected that no new General Revenue monies will be requested as part of the SSP process during that time.
23. Thirdly, the Report enables the States to examine the plans for how that money will be spent, by setting out the anticipated expenditure for each of the different CHP workstreams.

Current financial structure

24. However, to understand the above, it is important to restate how the CHP is funded.

⁵ Policy Council 'States Strategic Plan 2009-2013' - Billet d'État, XXVI October 2009.

25. The diagram below sets out, at high level, how the funding of the CHP is currently organised.



26. In simple terms, the CHP derives income from four separate sources:

- The rents paid by its tenants, net of rebates – estimated income 2010: £7.77 million;
- An allocation from General Revenue, intended to be equivalent to the value of rebates granted to its tenants and nominated tenants of the Guernsey Housing Association. (In 2010 that allocation is £8.0 million, though the estimated value of rebates is actually £9.86 million.);
- The sale of incompatible properties, i.e. those considered no longer fit for social rental housing and which are uneconomic to renovate. This income is generated on an *ad hoc* basis and all sale proceeds are ring-fenced to provide finance for additional social rental housing by means of capital grants to housing associations;
- Investment income from the various funds.

27. In terms of CHP expenditure, this is wide-ranging including the delivery of both major housing programmes and projects through housing associations, as well as the day-to-day expenses of directly providing and maintaining States-owned social housing, together with all Housing Department staff costs associated with each CHP workstream.

28. In addition, as originally envisaged, the CHP is increasingly funding other Departments' staffing and other costs to enable specific CHP projects to be progressed.
29. As a result of this broad funding responsibility, it needs to be understood that the sums of money moving into and out of these various funds will vary from one year to the next, depending on the timing of individual housing projects, the numbers of tenants receiving rebate, etc. It is, therefore, important that the CHP has sufficient reserves to meet these fluctuations in expenditure and to meet the funding requirements of different housing programmes.

Proposed revisions to the current financial structure

30. That it is necessary to explain at such length how the funding of the CHP operates leads to the conclusion that the present financial structure is over-complicated, and not easy to grasp and understand. (For example, the CHP Fund is not a collective term for the constituent funds, but a discreet fund in its own right.)
31. Each of the CHP's four constituent funds were set up at different times to meet different requirements and, thus, ever since, have been associated with a different area of delivery: indeed, although acting as an umbrella to the subsidiary funds, the CHP Fund itself came into being at a later date than its subsidiaries.
32. However, in preparing financial projections for the CHP, the Department takes account of balances on all four funds and plans its expenditure accordingly. Thus, the divisions between the funds are irrelevant from the point of view of strategic planning and are only made apparent in the annual accounts or budget.
33. Furthermore, by agreeing in 2005 that the private borrowing facility for the Housing Development and Loans Fund (HDLF) is available to fund the CHP⁶, the States effectively recognised that the whole is more important than its constituent parts.
34. **In light of the above, and with the agreement of the Treasury and Resources Department, the Housing Department thus recommends that, to simplify matters, the States Houses Fund, the States Housing Association Fund and the Housing Development and Loans Fund, be subsumed into the Corporate Housing Programme Fund to create a single funding entity.**

Presentation of CHP Budget and Accounts

35. As a result of the above recommendation, from 2010, the CHP budget and accounts will now be presented as shown in Table 1 below. This layout will

⁶ Treasury and Resources Department 'Budget of the States for 2006' Billet d'État XXII, November 2005.

clearly identify the various income sources (e.g. the receipts from the sale of incompatible properties and amounts repaid by States Home Loan borrowers), together with expenditure on each of the major CHP workstreams.

Consequential amendments to the mandate of the Housing Department

36. There is one further consequence arising from the above recommendation; and that concerns the mandate of the Housing Department. The Department's mandate currently specifically refers to its administration of the States Houses Fund, the States Housing Association Fund and the Housing Development and Loans Fund. If the States accepts the recommendation that these be subsumed into the Corporate Housing Programme Fund, then the mandate of the Housing Department needs to be amended.
37. Appendix 2 shows the current and proposed mandate of the Housing Department. **The States will be asked to approve the Department's proposed mandate as shown in Appendix 2.**

Funding of the CHP 2010-2014

38. Table 1 shows actual income and expenditure on the CHP for 2009, together with projections for income and expenditure for the period 2010-2014, the details of which are outlined in the remainder of this Report.

Table 1 – Corporate Housing Programme Projection for 2010 – 2014

	2009 £'000s	2010 £'000s	2011 £'000s	2012 £'000s	2013 £'000s	2014 £'000s
Balance brought forward	44,794	52,294	53,857	43,055	37,987	24,078
Of which is borrowing	(5,000)	(2,500)	-	-	-	-
	39,794	49,794	53,857	43,055	37,987	24,078
<u>INCOME</u>						
Rents receivable (net of rent rebates)	7,781	7,770	7,662	7,428	7,428	7,428
<i>General Revenue allocation received from States (in lieu of rent rebates)</i>	8,000	8,000	8,000	8,000	8,000	8,000
Other income						
Sale of incompatible housing stock	2,433	2,500	-	-	-	-
Loan repayments and redemptions	4,076	2,500	1,500	1,000	1,000	1,000
Interest receivable on fund balance	1,090	500	600	600	400	200
	7,599	5,500	2,100	1,600	1,400	1,200
TOTAL INCOME	23,380	21,270	17,762	17,028	16,828	16,628

<u>EXPENDITURE</u>						
Ongoing operational expenditure						
Staff	(1,383)	(1,594)	(1,594)	(1,594)	(1,594)	(1,594)
Housing stock						
Repairs and maintenance	(5,604)	(5,500)	(5,500)	(5,500)	(5,500)	(5,500)
Modernisation programme	(2,143)	(3,725)	(3,725)	(3,725)	(3,725)	(3,725)
Other Operational Costs	(4,707)	(4,198)	(1,450)	(1,450)	(1,450)	(1,450)
	(13,837)	(15,017)	(12,269)	(12,269)	(12,269)	(12,269)
Rent rebates payable to GHA nominated tenants	(692)	(683)	(1,310)	(1,503)	(1,503)	(1,503)
Guernsey Youth Housing Project grant	(333)	(400)	(400)	(400)	(400)	(400)
First-Time Buyers' Grant Scheme	(6)	-	-	-	-	-
Social Housing Development Programme 2008-2012 and successor programme	(386)	(2,607)	(1,430)	(2,420)	(5,579)	(1,259)
Older People Housing and Support Strategy	-	-	(10,320)	(2,580)	(9,485)	(8,131)
Supported Housing Strategy	-	-	(155)	(160)	(165)	(165)
Key Worker Housing Strategy	(626)	(1,000)	(2,680)	(2,764)	(1,336)	(2,656)
TOTAL EXPENDITURE	(15,880)	(19,707)	(28,564)	(22,096)	(30,737)	(26,383)
Surplus or deficit after all expenditure	7,500	1,563	(10,802)	(5,068)	(13,909)	(9,755)
Balance of Fund carried forward	52,294	53,857	43,055	37,987	24,078	14,323
Of which is borrowing	(2,500)	-	-	-	-	-
<i>Available after paying off loan facility</i>	49,794	53,857	43,055	37,987	24,078	14,323

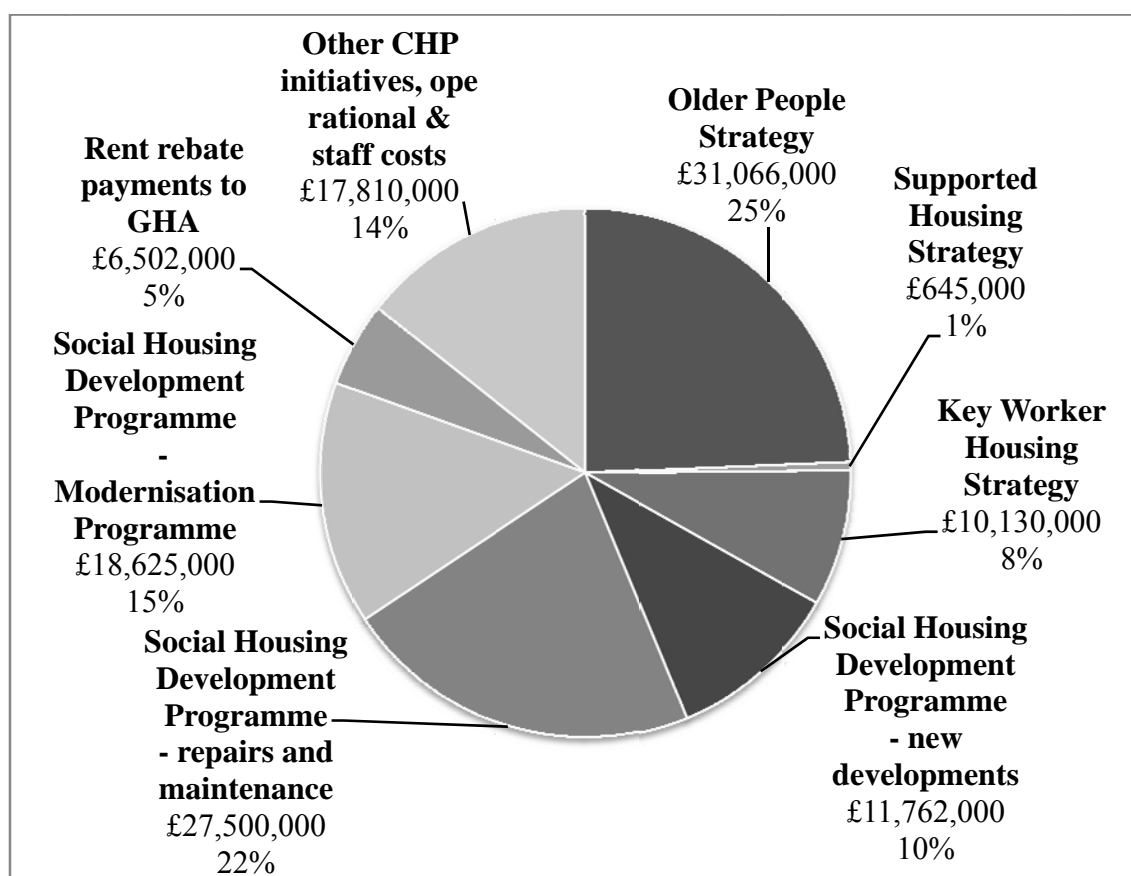
Assumptions

1. No allowance has been made for increases in costs or income streams due to inflation.
2. Rents receivable is the difference between the total gross rents chargeable according to a formula agreed by the States, minus the value of rent rebates claimed by Housing Department tenants, which is income foregone. The total sum varies over the period to allow for changes occasioned by the transfer and redevelopment of some Housing Department estates by the GHA.
3. The General Revenue allocation from the States in respect of rent rebates is anticipated to be less than the total cost of rent rebates, which comprise amounts *claimed* by Housing Department tenants and amounts *paid* to the GHA for tenants nominated by the Housing Department. This allocation is assumed to remain constant over the next 5 years, but this does not preclude any changes (up or down) which may occur as part of the annual budget process.
4. Ongoing operational expenditure in 2009 and 2010 includes a repayment of £2.5m in each year against a private sector borrowing facility, which was closed in February 2010.
5. Build costs per unit for all developments have been derived from the average actual or expected build costs for recent developments by the GHA.
6. Development grants are based on a percentage of total scheme costs and a discounted payment for States' land, where relevant. (See paragraphs 48 to 65 below.)

CHP expenditure 2010-2014

39. As shown in Table 1, generally the CHP Fund is in a healthy financial state with a closing balance in excess of £52 million at the end of 2009. However, this is somewhat illusory as in addition to the day-to-day **maintenance** and the continuing **modernisation and upgrading of the States' social housing stock**, there is substantial programmed expenditure in the offing as summarised in Figure 1 below.

Figure 1 – Projected CHP expenditure 2010-2014



40. Of the existing and new initiatives to be brought forward, the following are worthy of highlighting:
- The need for a programme of **specialised housing for older people** to implement the findings of the forthcoming Older People's Housing, Care and Support Strategy. (Projected expenditure 2010-2014: **£31 million.**);
 - The completion of the existing **general needs social housing** development plan (which ceases in 2012) and the implementation of its successor plan to cover the period 2013-2017. (Projected expenditure 2010-2014: **£57.9 million.**);

- The need for a programme to meet the housing needs of **public sector ‘key workers’** (Projected expenditure 2010-2014: **£10.1 million.**);
- The need for new services to provide **supported housing** for a wide range of vulnerable individuals. (Projected expenditure 2010-2014: **£0.65 million.**)

41. At the present time, each of these housing strategies (and their associated programmes) are at various stages of evolution - and each will be separately presented to the States for approval in due course; but it is both prudent, and essential, to make financial provision for the costs of these strategies based on the best information currently available.

CHP income 2010-2014

42. Paragraph 26 above outlined the CHP Fund’s various sources of income. Table 1 shows that of those income sources, the most significant are rental income from States’ tenants (net of rebates), plus the annual allocation from General Revenue.
43. Having reviewed the financial projections for the CHP, it is important to note that the Housing Department believes that, based on current assumptions, an allocation from General Revenue of £8.0 million per annum will be sufficient to sustain the entire Programme over the next five years.
44. This is significant because under the arrangements previously agreed by the States, the Housing Department is entitled to be reimbursed for the total costs of those rent rebates paid to its own tenants (which is income foregone), plus those rebates paid to the Guernsey Housing Association in respect of those tenants nominated by the Housing Department.
45. Although the Housing Department estimates that in 2010 the rent rebate scheme will cost £9.86 million, in discussing the 2010 budget for the CHP with Treasury and Resources, the Department indicated that an allocation of £8.0 million would be sufficient to fund short- and medium-term CHP projects. **In effect, therefore, the Department has “returned” £1.86 million to General Revenue to be used for other States’ purposes.** (This is in addition to the £10 million transferred from the HDLF to General Revenue in 2008.)
46. Thus, despite a predicted increase in the value of rent rebates over the next four years - due to new build Guernsey Housing Association properties becoming available for occupation, together with the replacement of higher earning States’ tenants by new tenants with lower incomes as a result of tenancy reviews – the Department considers that it will be able to fund all the forthcoming programmes and other CHP expenditure with an annual General Revenue allocation of £8.0 million over the same period. In other words, as shown in Table 2, the CHP will absorb approximately £10.0 million of rebates over the period 2010-2014.

47. However, given that, as noted above, the costs of some of the major development programmes will undoubtedly change as better information becomes available, it has been agreed with Treasury and Resources that the Housing Department will review the financial projections for the CHP on a rolling basis and submit, as part of the annual budget process, a revised figure for the General Revenue allocation in lieu of rent rebates. This will ensure that changes to the CHP workstreams are recognised and that the CHP Fund remains on a firm financial footing. Therefore, the allocation of £8.0 million may change in subsequent years, even if the principle of using the CHP Fund to absorb a portion of the rebate deficit endures.

Table 2 – Rent Rebate projections compared with annual General Revenue allocation (2010 – 2014)

	2009 £'000s	2010 £'000s	2011 £'000s	2012 £'000s	2013 £'000s	2014 £'000s
Housing Department tenants	(8,009)	(9,180)	(8,363)	(8,141)	(8,141)	(8,141)
GHA tenants	(692)	(683)	(1,310)	(1,503)	(1,503)	(1,503)
TOTAL COST OF REBATES	(8,701)	(9,863)	(9,673)	(9,644)	(9,644)	(9,644)
<i>General Revenue allocation from States (in lieu of rent rebates)</i>	<i>8,000</i>	<i>8,000</i>	<i>8,000</i>	<i>8,000</i>	<i>8,000</i>	<i>8,000</i>
Deficit charged to CHP fund	(701)	(1,863)	(1,673)	(1,644)	(1,644)	(1,644)

Using the CHP Fund to pay for States-owned Land

Introduction and Background

48. Before considering the individual CHP workstreams there is one further financial matter that needs to be resolved; and this concerns the principle of whether the Housing Department (and/or a housing association with whom it is working in partnership) should be required to pay – from the CHP Fund - the costs of acquiring any States-owned land or property to be used for housing development purposes. (For the avoidance of doubt, this does not include land already under the “control” of the Housing Department, i.e. existing States' housing or the sites upon which it is located.)
49. The origins of this issue are a Report from the Treasury and Resources Department on States' land and property administration in 2006⁷, following which the States accepted:

⁷ Treasury and Resources Department ‘States Land and Property – Management and Administration’, Billet d’État V, February 2006. See paragraph 6 (5) in Appendix I.

'that where land and property is transferred between individual trading operations or between a trading operation and the General Revenue Account, appropriate financial transfers will be made.'

50. More recently, in its 2009 Report on the 'Corporate Property Plan'⁸, Treasury and Resources acknowledged that there were various issues both for and against charging the CHP Fund, and that these needed to be explored in detail. Accordingly, the States resolved:

'To note that the question of whether or not to charge the Corporate Housing Programme Fund for the transfer of any States owned land or property as outlined in Section 8 of that report will be contained within the Housing Department's States Report on the Corporate Housing Programme, due to be considered by the States during the first quarter of 2010, together with appropriate recommendations.'

51. The paragraphs that follow thus address this issue in fulfilment of this Resolution.

Practice to date

52. To date, a significant proportion of CHP expenditure has related to the building of new social housing developments (of social rented and partial ownership properties) by the Guernsey Housing Association (GHA). These developments have principally been on States-owned land under the control of the Housing Department, i.e. to redevelop worn out estates and provide new purpose-built accommodation.
53. Where the Housing Department conveys land under its control to GHA, this is at a nominal cost, on the grounds that the GHA would incur additional borrowing costs and Document Duty fees if it had to pay for it; but a residual land value is included in development scheme appraisals in recognition of the fact that the transferred land has a value. Using this funding mechanism, capital grants for recent projects have, on average, represented just 10% of total development costs; or 35% if the residual land value is taken into account.
54. Where the GHA has acquired privately owned land – such as at Hougue a la Perre - the costs of land acquisition have been factored into the overall financial scheme appraisal and the capital grant from the States has been set accordingly.
55. Although the situation has yet to arise, the Treasury and Resources Department is now keen to establish the principle of whether, in the future, the CHP Fund

⁸ Treasury and Resources Department 'Corporate Property Plan' Billet d'État XXI, September 2009.

should pay a sum of money to acquire States-owned land that heretofore has not been used for housing purposes⁹.

56. For its part, the Housing Department is also keen to establish this principle, so that it can provisionally budget for any payments to be made for land in the costs of the development programmes set out in this and subsequent CHP Reports.

Arguments for and against charging the CHP Fund for land

57. As noted above, there are arguments for and against charging the CHP Fund for acquiring States-owned land.

58. The principal arguments **in favour** of charging the CHP Fund for acquiring States-owned land are as follows:

- The States owns and administers a valuable portfolio of land and property assets. The States has approved a Rationalisation Strategy, which acknowledged that land is a valuable asset that should be disposed of in a way that most benefits the States. Charging the CHP Fund for land would release funds back to the General Revenue Account - funds that could then be used in connection with other departments' initiatives, as prioritised by the States.
- The States resolved in 2006, *'that where land and property is transferred... between a trading operation and the General Revenue Account, appropriate financial transfers will be made.'*¹⁰ Although the CHP is not a trading operation, it does not form part of the General Revenue Account and thus, for this purpose, should be treated as if it were a trading operation.
- The CHP is able to use Housing Department land 'free of charge' for development projects. This makes sense as the land is already being used for housing purposes; however, the way in which States-owned land outside the control of Housing can best be utilised should be determined by the processes outlined in the Corporate Property Plan, i.e. the preparation of an Asset Management Plan.
- The capital released by the intended sale of States' assets has already been committed in calculations for the funding of the States' approved Capital Prioritisation Programme (£10 million) and the Financial Transformation Programme (FTP). While neither Housing nor Treasury

⁹ Both Housing and Treasury and Resources have ruled out passing on the costs of acquiring States' land to a housing association partner, as to do so would increase the cost of the development and, therefore, increase the amount of money required from the States to make the development viable.

¹⁰ Billet d'État V 2006, Appendix I

and Resources can say, at this stage, whether any of the property assets to be sold in the future will be sought by Housing to meet CHP objectives, if the Housing Department was able to acquire any such property asset at a notional cost this would be to the detriment of the delivery of one or more of the Capital Prioritisation projects and/or the FTP.

59. The principal arguments **against** charging the CHP Fund to acquire States-owned land are as follows:

- The initiatives in the CHP all have to be agreed by the States: the Housing Department is the overseer of a States' programme of action and the custodian of the States' funds allocated for that purpose. The current arrangements result in the creation of new social housing at far less cost to the States than would otherwise be the case if the Housing Department was the developer. If the CHP Fund was required to pay the acquisition costs of States-owned property and land, expenditure from the CHP Fund would correspondingly increase, thereby reducing the overall funds available for all CHP workstreams.
- There would be a degree of circularity if charging was implemented, as part of the annual States' allocation to the CHP Fund would be returned to source to pay for land acquisitions.
- Land transferred to a housing association at notional cost is not 'lost' to the States, as it cannot be sold on or used for anything other than the purposes for which it was transferred, without the express agreement of the States. For example, in the event that the GHA went into liquidation then all of its land and property assets would revert to the States.
- Land has a cash value and a non-cash value. High-quality social housing provided by housing associations has improved the lives of hundreds of Islanders. A better standard of living saves the States money by encouraging a reduced dependency on health services and expensive, institutionalised forms of housing, e.g. residential care. If charging for land led to less money being available for the CHP these positive outcomes may be affected, leading to higher costs elsewhere.
- As an example of this, it is planned that the CHP Fund will pay for the development programme of 'key worker' housing, because the employing departments (Health and Social Services, Home and Education) are not in a position to make a financial contribution. However, this development programme is expected to result in the employing departments realising substantial revenue savings (through paying 'housing benefit'/'rent allowance' to fewer persons and through a reduction in the reliance on the private rented sector to house 'key workers'). The CHP Fund will not benefit from these revenue savings to offset its investment; a situation that will be compounded if the CHP Fund has to purchase States-owned land for these developments.

Conclusions

60. While the Housing Department is concerned that to pay to acquire States-owned land could have an adverse effect on the ability of the CHP Fund to fund States-approved CHP workstreams, it also acknowledges that not charging for such land may have an adverse effect on the ability of the States to fund other capital projects and/or make savings as part of the FTP.
61. **Having weighed up the arguments, the Housing Department has concluded that it is prepared to recommend the application of a principle that it should make a payment for any States-owned land, not currently under its control, that it wishes to acquire to meet CHP objectives. This is on the understanding that the capital receipts generated will help fund the States-wide Capital Programme and/or contribute to the savings from the FTP.**
62. The cost of such land purchases will be borne by the CHP Fund and not passed on to the GHA (or any other housing association with whom the Housing Department is working in partnership).
63. **As to the sum payable, in recognition of the intended use of the land in question for social housing of various types¹¹, it has been agreed with Treasury and Resources that the land will be valued at a discounted rate. In other words, rather than being sold at the full commercial open market value, which could be achieved by sale to a speculative house builder, or private entity, the payment would be discounted by a percentage from its residual land value.**
64. **Furthermore, it has been agreed that the actual percentage to be applied will be determined on a case by case basis, depending on such factors as the type of housing to be built, build density, abnormal land conditions, etc.**
65. **Finally, it has been agreed with Treasury and Resources that if the purchase of States-owned land is to be charged to the CHP Fund, other departments (using their own budgets or the General Revenue Account) will have to pay the CHP Fund when they acquire land or property under the control of the Housing Department, otherwise application of the principle will be unbalanced and unfair. The basis upon which those payments would be made will be determined by Treasury and Resources and communicated to departments at a later date.**

DETAILED UPDATES ON PROGRESS AND ACTION PLANS

66. The remainder of this Report comprises: (i) updates on the progress that has been made on CHP initiatives since the last Report to the States in December

¹¹ Social housing for these purposes would include 'key worker' housing, specialised housing for older people, etc.

2008; (ii) the identification of new or ongoing workstreams for the next 2 years; and (iii) where relevant, an indication of the likely cost of each workstream, projected over the next 5 years

67. Appendix 3 lists all the workstreams set out below and orders them according to whether they have been assigned a high, medium or low priority.

ACTION AREA A - FISCAL POLICY

Objective: To present the States with a comprehensive review of fiscal policy options available to support the objectives of the States Housing Strategy.

Lead department: Treasury and Resources

General

68. When considering the introduction of new fiscal policy measures (e.g. changes to property taxes) the Treasury and Resources Department has pledged to have due regard to the impact that such measures might have on the Guernsey housing market. To that end, both Treasury and Resources and the Policy Council's Fiscal and Economic Policy Steering Group have agreed that the Housing Department will be given an opportunity to comment on any proposed changes to the Island's fiscal policy in advance of those proposals being considered by the States.

Review of Document Duty

69. Document Duty is an indirect tax charged on conveyances and the registration of bonds. In its 2008 Budget Report the Treasury and Resources Department announced a Review of Document Duty¹², the findings of which are likely to be published as a States Report in 2010.
70. A Working Group is in the process of identifying ways of remedying defects in the existing legislation. The Working Group will also examine thresholds and rates (which have not changed since 2008); the merits of taxing property ownership by Document Duty rather than by Tax on Real Property; and the possibility of levying a charge on the transfer of beneficial ownership of property by share transfer.
71. There are no direct CHP costs related to this ongoing review.

¹² Treasury and Resources Department 'Budget of the States for 2008' - Billet d'État XXIII, November 2007.

Review of the First-Time Buyers Grant Scheme

72. Under a long-standing scheme, first-time buyers can apply to the Housing Department to be reimbursed the costs of Document Duty. The refund is based on a sliding scale, but there is no reimbursement for properties purchased for £150,000 or above.
73. Over the past decade, the operation of the Scheme has become increasingly out of step with the remorseless rise in house prices, such that any attempt to have kept pace with rising house prices would have led to increasing amounts of money being reimbursed to first-time home buyers. In effect, the States would have been collecting tax with one hand, but paying it out with another to a subset of house purchasers.
74. The logic of doing this became ever more questionable following the consideration of the Parr report of 2003¹³, which looked at the operation of the Guernsey housing market. An economist, Parr demonstrated that one of the factors fuelling the rise in house prices was the availability of tax subsidies, especially to house purchasers.
75. Accordingly, the Scheme has been allowed to wither on the vine; consequently, very few eligible claims are made and any grants that have been paid in recent years have been very small - see Table 3 below.

Table 3 – First-Time Buyers' Grant 2007 to 2009

Year	Number of Grants	Total Value	Average Value
2007	14	£25,806	£1,843
2008	8	£12,103	£1,513
2009	4	£5,943	£1,486

76. In the 2008 CHP Report, the Housing Department, noting the steady reduction in the number of people applying for help, stated its intention to review the Scheme.
77. Notwithstanding the observations in paragraph 73 above, as part of that review, the Department has considered increasing the £150,000 limit so that more people would be eligible to apply for help. However, the Department has decided against this on the grounds that it would be likely to have an inflationary effect on the local housing market: indeed, for every extra person that the First-Time Buyers Grant Scheme helped, there would be an equal if not greater number of

¹³ Michael Parr 'The Operation of the Housing Market in Guernsey: A Report to the States of Guernsey Housing Authority and the Advisory and Finance Committee' published as an appendix to: States Advisory and Finance Committee and States Housing Authority 'The Development of a Housing Strategy and Corporate Housing Programme' – Billet d'État II, February 2003.

house purchasers who would not only be ineligible for help under the Scheme, but who would suffer the ratchet effect of increased house prices caused by providing a subsidy to a subset of purchasers.

78. **Thus, in light of the steadily dwindling number of claims and the decision not to increase the eligibility threshold, the Housing Department recommends that the First-Time Buyers Grant Scheme be closed with immediate effect.** (It is anticipated that, even without the formal closure in 2010, climbing house prices mean that there will be no grants made this year.)
79. It is to be noted that this recommendation is entirely consistent with, and a necessary corollary of, the recommendation below to close the States Home Loans Scheme to new borrowers and the decision announced in summer 2009, not to pursue further the introduction of a successor to the States Home Loans Scheme (see paragraphs 108 to 130).

ACTION AREA A – SUMMARY OF WORKSTREAMS

- **For the Treasury and Resources Department and the Policy Council’s Fiscal and Economic Policy Group to identify, consider and take into account the impact of any new fiscal policy measures on the operation of the Guernsey housing market, and the housing choices available to low and middle income earners in particular.**
- **For the Treasury and Resources Department to conclude its review of Document Duty, having due regard for the impact of any proposals arising from that review on the operation of the Guernsey housing market.**

ACTION AREA B – LAND USE POLICY AND HOUSING DEVELOPMENT

Objective: To integrate land use planning policies which provide for sufficient housing to be created to meet strategic targets, with a range of measures to ensure that those housing opportunities are translated into development which meets the profile of local needs.

Lead departments: Environment and Housing

Review of strategic land use policies relating to housing

80. The Strategic Land Planning Group (SLPG) is reviewing the Island’s Strategic Land Use Plan through concepts developed by the public through the *Guernsey Tomorrow* initiative, and through the strategic land planning requirements identified by States’ departments and other interested parties.

81. Public consultation begun in 2008 and continued throughout 2009. Unsurprisingly, a number of housing themes have been highlighted through this initiative: in particular, providing housing designed to meet the needs of older people, which is apposite given the forthcoming States' debate of an Older People's Housing, Care and Support Strategy (see paragraphs 242 to 248 below).
82. The SLPG will report on the findings of the *Guernsey Tomorrow* initiative during 2010. The points raised by the public through *Guernsey Tomorrow* will feed directly into the discussions being held by the SLPG to address spatial planning issues arising from the agreed States' strategic planning objectives. Subsequently, as part of the overall States' strategic planning process, the SLPG will outline a range of options for the revised land use strategy. This will lead to the preparation of a revised Strategic Land Use Plan for a States' debate in early 2011.
83. The *Guernsey Tomorrow* initiative does not have any direct costs on the CHP.

Setting strategic targets for the creation of new homes

84. As a result of the States Report detailing the findings of the 2006 Housing Needs Survey¹⁴, the SLPG was directed to review the current strategic policy for the creation of new homes and, for the first time, to set specific annual targets for each tenure, taking into account the profile of needs identified in that Survey.
85. As result of that review, it was agreed to maintain the strategic target currently directing the Environment Department to make provision for 300 new homes each year.
86. With regard to setting specific annual targets for each tenure, it was agreed to defer setting such targets pending the outcome of further detailed research being undertaken by the Housing Department into housing needs for different client groups (see paragraphs 88 to 91 below).
87. Aside from Housing staff time, there are no direct CHP costs related to this ongoing workstream.

Identification of housing needs

88. In parallel with the public consultation associated with *Guernsey Tomorrow*, the Housing Department has been conducting detailed research into the Island's housing needs; primarily, but not exclusively, associated with its development of an Older People's Housing, Care and Support Strategy.
89. The purpose of this research has been to identify and quantify needs, in order that the Environment Department can determine whether land supply is

¹⁴ Housing Department 'Findings of the 2006 Housing Needs Survey' – Billet d'État XXV, December 2007.

sufficient for the delivery of build programmes to meet the identified requirements; and, in particular, whether it is necessary in the short- to medium-term to release one or more of the Housing Target Areas (HTAs).

90. The Housing Department will be reporting the findings of this research to the States later this year. However, it is important to highlight here the interim findings; namely, that the requirement is for:
- **20 general needs social rental** dwellings each year;
 - **50 partial ownership** homes each year;
 - An immediate need for **100 units of specialised housing – sheltered or extra care housing** – to meet the needs of older people currently accommodated in social rental housing;
 - An additional **30-50 units of specialised housing** each year, over the next 5 years, to meet the needs of older people who would otherwise be referred to residential or nursing home care, or supported at home by social services;
 - An immediate need for **200-250 units** of purpose-built accommodation for **public sector key workers**.
91. Details of how these needs are to be met and the associated expenditure are referred to later in this Report. Suffice to say that meeting each need identified presents a considerable challenge and, taken together, the associated build programmes represent the bulk of projected CHP expenditure over the next 5 years.

Housing Target Areas (HTAs)

(i) Building a case to release one or more HTAs

92. An outstanding action is for the SLPG to review the need to release one or more of the HTAs to meet identified housing needs. . Due to the recently changed role of the SLPG¹⁵, this action has been delegated to the Housing and Environment Departments.
93. As recently as the CHP States Report in December 2008, the Housing Department restated that it would be able to meet the identified requirement for general needs social rental and partial ownership housing from existing land banks and, therefore, saw no need to release a HTA for that purpose.

¹⁵ The role of the Strategic Land Planning Group has recently changed to take on a statutory function, which means that it is no longer appropriate for the Group to be closely involved in co-ordinating strategic land use initiatives or their implementation.

94. However, from the research referred to above, it has become apparent that while **general needs** housing requirements can be met without the need to bring forward a HTA, it is highly unlikely that the needs of **older people for specialised housing (i.e. sheltered housing or extra care housing)** could be met without the release of one or more HTAs.
95. Furthermore, when one adds to the needs of older people the requirement to make provision for **key worker housing**, the case is even stronger.
96. However, it will ultimately be for the States to agree to release a HTA. Thus, as noted above, if additional development land is required, the evidence to support the case will be presented in a States Report later this year.

(ii) Determining the order for releasing one or more HTAs

97. If the States accepts that a case has been made to release one or more HTAs, it will also have to determine which of the five HTAs should be released and in what order.
98. At the present time, the Environment Department is establishing a set of objective criteria against which to assess the order of their release. The results of that assessment will be presented to the States for approval later this year, at the same time as the Housing Department's Report making the case for the release of one or more HTAs.
99. The assessment itself will involve some 'in house' technical analysis, i.e. of drainage and landscape character; and some use of external consultants where 'in house' expertise does not exist, i.e. traffic studies. The Housing Department has agreed that a portion of the CHP Fund budget for consultants be made available to the Environment Department to enable these traffic studies to be undertaken.

(iii) Planning Covenants

100. In December 2007, the States approved the recommendations of a report entitled 'The Use of Planning Covenants in Guernsey'¹⁶, which discussed the findings of a study by Environmental Resources Management into the application of planning covenants in the local planning system.
101. The States agreed to the recommendation that planning covenants should only be applied in limited circumstances, such as to secure social and intermediate housing provision on sites already designated as HTAs. The Housing and Environment Departments were tasked with developing the mechanism by which planning covenants could be applied to the HTAs for application as and when required.

¹⁶ Housing Department and Environment Department 'The Use of Planning Covenants in Guernsey' – Billet d'État XXV, December 2007.

102. The Environment Department has been investigating how this mechanism could be achieved. It has now received legal advice that the new Land Planning and Development Law Ordinances will require amendment to enable the use of planning covenants on privately owned HTA sites. (NB The position regarding States-owned HTAs is different in that the States, as owners, can set up planning covenants, if required, as a condition of development or as a condition of sale.)
103. The Environment Department has investigated a suitable mechanism and considers that it would be best achieved through an Ordinance under section 23(6) of The Land Planning and Development (Guernsey) Law, 2005 to enable the owner of any land to enter into a planning covenant for the purposes of ensuring the provision of social, intermediate (e.g. offering partial ownership) or affordable housing within residential or mixed use development when it is carried out.
104. The policy that would set out the details of the application of that provision would then be included in the draft Local Planning Briefs, which would be considered at a public Planning Inquiry for each HTA brought forward. These planning covenant policies would also be considered by the States as part of its approval of each Local Planning Brief for a HTA following a Planning Inquiry.
105. Aside from Housing staff time, there are no direct CHP costs related to the preparatory works for developing planning covenants.

Implementation of the new Planning Law

106. With the exception of the Planning Covenants Ordinance (considered above), this work stream is now complete: the new Planning Law legislation was fully implemented by the Environment Department in 2009.

ACTION AREA B – SUMMARY OF WORKSTREAMS

- **For the Strategic Land Planning Group to report on the findings of the *Guernsey Tomorrow* initiative.**
- **For the Strategic land Planning Group to prepare a States report outlining a range of options for the revised land use strategy, leading to the preparation of a revised Strategic Land Use Plan for a states debate in early 2011.**
- **For the Housing Department to present a report to the States, identifying in detail housing requirements for the next 5 years and making the case for the release of one or more HTAs, if required.**
- **For the Environment Department to establish and measure against a set of objective criteria the order by which HTAs should be released and to prepare a report with recommendations for the order of release of the HTAs, if required.**

- **For the Environment Department to introduce legislation to enable planning covenants to be applied to HTAs in private ownership.**
- **For the Environment and Housing Departments to work together to develop the mechanism by which planning covenants are to be applied to the HTAs.**
- **As part of its review of the Strategic Land Use Plan, for the Strategic Land Planning Group to review the strategic target for the creation of new homes in the light of the findings of the 2006 Housing Needs Survey and subsequent research undertaken by the Housing Department.**

ACTION AREA C – THE INTERMEDIATE HOUSING MARKET

Objective: To develop policies aimed at providing for the varied needs of the Intermediate Housing Market, and to work with other agencies to ensure that there is sufficient provision of affordable housing to meet the reasonable needs of that market.

Lead department: Housing

Financial assistance schemes for first-time buyers

107. During 2009, the Housing Department reviewed initiatives designed to assist first-time buyers and other low income households to purchase a home. This has included examining the effectiveness of the current States Home Loans Scheme, together with researching an alternative successor – a Homebuyers Scheme.
 - (i) Homebuyers Scheme
108. The Housing Department invited expressions of interest from commercial organisations to discuss how a new scheme involving a mix of public and private funding could be developed. Two expressions of interest were received.
109. However, during the debate on the Social Policy Plan in July 2009, the Deputy Housing Minister advised the States that the Housing Department had decided, after careful consideration, not to pursue the development of a Homebuyers Scheme.
110. This decision was taken based on estimates that the Housing Department would need to provide £3 million of funding to assist in the region of 25-30 home buyers. The Department concluded that it could not justify that level of expenditure year-on-year to assist a relatively small number of people into home ownership. Indeed, based on an annual allocation of £8 million to the CHP Fund, this would mean that the first £3 million of each year's allocation would

be spent on the Homebuyers Scheme, leaving just £5 million for all the other CHP projects that are the subject of this Report – many of which are of a higher priority and would benefit more people, e.g. the Older People’s Strategy and the Social Housing Development Plan.

111. Additionally, the Department was advised that the institution of a Homebuyers Scheme would potentially increase Guernsey’s house price inflation and make it more difficult for first-time buyers not on the Scheme to get on the property ladder.
112. However, in deciding against the creation of a Homebuyers Scheme the Department is not shrinking from its responsibility to help first-time buyers purchase a property, and would point to the steps taken to develop the Partial Ownership Scheme as evidence of its continued commitment in this respect.
113. Indeed, it has become clear that in comparison with a Homebuyers Scheme, the Partial Ownership Scheme offers better value to the States, carries less risk, and benefits a greater number of people. The parameters of the Partial Ownership Scheme also mean that partial ownership properties can only be sold to new partial owners, thereby addressing one of the concerns about the impact of first-time buyer initiatives on house price inflation.
114. Even more importantly, whereas a Homebuyers Scheme would have simply helped people to buy existing properties, by investing in partial ownership the States is not only helping people to buy without over-extending themselves, but it is building new properties to add to the stock of affordable housing; and this helps to dampen the effect of house price inflation to the benefit of all home buyers.
115. Increasing the supply of partial ownership (discussed further in paragraphs 190 to 193 below) will thus remain the focus of the CHP’s efforts in relation to home ownership.

(ii) States Home Loans Scheme

116. The States Home Loans Scheme is administered by the Housing Department. It is the successor to a scheme designed several decades ago to help (principally) low income first-time buyers to purchase a home. Funds for such purchases are provided from the HDLF.
117. The Scheme peaked in the late 1980s, when the then Housing Authority was issuing hundreds of loans per year. Numbers of loans issued then dropped during the 1990s as the loan threshold got progressively out of kilter with the rise in house prices, only to surge again towards the end of the decade due to successive increases in the maximum loan available (in 1998 and 2000). Indeed, in the 18-month period from January 2000 to July 2001 alone, the then Housing Authority assisted 280 borrowers into property ownership at a cost to the HDLF of £32 million. Correspondingly, around the turn of the Century, the HDLF went

from having a healthy positive balance to a significant deficit that required the States to enter into a commercial borrowing facility of £25 million.

118. In the light of that experience, since 2000, the Housing Department has capped the maximum loan available to £130,000, as part of a conscious policy both to manage HDLF expenditure and to limit the effects of house price inflation which were experienced when the loan limit was last increased. (The number of annual loans approved reached a peak of 172 in 2000.)
119. Application of this policy of restraint has also coincided with an extended period of years whereby interest rates charged by commercial lenders have fallen significantly – to the point where for the majority of borrowers a commercial loan has generally been more affordable than a States Loan.
120. This is significant because States Loans are subject to variable rates of interest based on the borrower's income. A key principle of the Scheme is that interest rates on States Loans will generally be below commercial borrowing rates. However, interest rates can exceed commercial rates when the borrower's financial circumstances improve; as a result, often with the Department's encouragement, over the past decade the majority of borrowers have transferred to a commercial mortgage. (A typical loan is redeemed within 5-7 years of its issue, by which time the borrower's income has increased to the point where the borrower can save money by switching to a commercial lender.)
121. In respect of new borrowers, as the average house price has risen significantly above £130,000, new States Loan borrowers have increasingly found it necessary to secure top-up loans at commercial rates. This has become more difficult as – post-credit crunch – lenders have become unwilling to take on the additional risk of lending top-up loans to lower income borrowers on a second charge basis.
122. As a result of the above factors, but primarily more favourable commercial rates, over recent years the Department has issued fewer and fewer loans each year - see Table 4 below – and all of them to single people. (A loan was last issued to a couple in 2005.)
123. Most of these borrowers have not been in a position to secure a second, commercial loan on the property and have used inherited money or a gift/loan from their parents to supplement the £130,000 offered by the Department.

Table 4 – Numbers of States Home Loans issued 2005-2009

Year	Number of Loans Issued	Total Amount Loaned
2005	14	£1,697,114.07
2006	7	£629,542.75
2007	10	£1,135,883.48
2008	3	£351,200.00
2009	7	£910,000.00

124. There is one other significant changed circumstance: since January 2007 the target population for States Loans have had the option of partial ownership. This scheme has proved very popular and, as noted below, the waiting list for this type of home ownership now exceeds 150 households. Low income first-time buyers who would once have applied for loans under the States Home Loan Scheme are increasingly likely to favour partial ownership over outright purchase because not only is partial ownership more affordable, but the properties on offer – being newly built or refurbished – are generally of a far higher standard than those at the bottom end of the local housing market.
125. Indeed, the number of partial ownership sales in 2009 totalled 34 – which could have been greater if more properties had been available - compared with 7 new States Loan borrowers.
126. While, undoubtedly, the number of States Loan borrowers would increase if the Housing Department was to raise the loan threshold from £130,000, the Department is conscious that any such move is likely to have an inflationary effect on the local housing market, making it even more difficult for first-time buyers – with or without a loan under the States Home Loans Scheme – to get on the property ladder¹⁷.
127. Moreover, the level of increase that would be required would be very significant and, correspondingly, very expensive for the States to fund. Indeed, even with the current low loan threshold, the 7 borrowers assisted by the HDLF in 2009 cost the Housing Department £910,000.
128. By comparison, providing more partial ownership properties through the GHA is financially advantageous for the States, as the receipts from the sale of partial ownership properties offset the development costs of new social housing projects and reduce the level of States' grant funding required. It is thus more cost-effective to 'invest' in the delivery of partial ownership properties rather to issue States Loans to first-time buyers.
129. **With this in mind, and in the absence of any way of restoring real value to the Scheme without risking counterproductive effects, the Housing Department is now recommending that the States Home Loans Scheme be closed to new borrowers with immediate effect.**
130. The Department will, however, continue to administer all outstanding loans and to encourage existing borrowers to move to the commercial sector where this would be to their financial benefit.

¹⁷ In the report referred in footnote 12, Parr stated the following: '*SHLS's [the States Home Loans Scheme] effect is to make housing more affordable to those first time buyers fortunate enough to be given the financial subsidy, but its effect will be to bid up prices generally. This will be for both those with a SHLS mortgage and all other first time, and other, buyers.*'

Home Improvement Loans

131. At the time of writing, the balance of the outstanding loans capital was £8,767,395, made up of 102 borrowers and 114 loans.
132. A very small proportion of this loans capital is represented by home improvement loans, as there is provision within the Homes Loans Scheme to provide finance to assist people to improve their properties where age and/or other circumstances prevent them from securing a commercial loan for this purpose.
133. However, Table 5 below shows that since 2005, only 3 such loans have been granted – with none in the last two years. Each of these 3 loans was to elderly applicants and charged at 2% interest, with no capital to be paid until their death; and none of these loans was to an existing commercial mortgage holder.

Table 5 – Number of Home Improvement Loans issued 2005-2009

Year	Number of Loans Granted
2005	1
2006	1
2007	1
2008	0
2009	0

134. One reason for the low take-up may be because the scheme is not heavily publicised, although people are referred to the Department by the Social Security Department and the Citizens Advice Bureau, and details of the scheme are shown on the Housing Department's website. However, it is more likely that the low take-up is because the cost of engaging a surveyor and obtaining a bond makes a personal loan a better financial option.
135. It is also worth noting that enquiries often result in the Housing Department incurring costs without any loan being granted, as either the works are too expensive, prove to be unnecessary, or alternative options are taken, e.g. the property may be sold, an existing loan or mortgage could be refinanced, or relatives may invest in the property for inheritance purposes.
136. **For all the above reasons, the Housing Department recommends that home improvement loans cease to be provided as part of the States Home Loans Scheme with immediate effect.**

Social Housing Development Plans 2008-2012 and 2013-2017

137. In December 2007, the States considered and approved a report outlining proposals for a five-year development plan for the provision of new social

housing and the modernisation of existing social housing stock¹⁸. This Report, which was informed by the findings of the 2006 Housing Needs Survey, included a timetable and funding mechanism to enable the Department to:

- complete the rationalisation of its housing stock and address the replacement of the last of its estates that are uneconomic to retain and refurbish;
- continue and complete the modernisation and upgrading of the housing stock that is being retained;
- address the under-occupation of larger family houses by older couples and single people by building suitable properties that match their requirements and are in the area where they have developed links and associations over the years of their tenancy;
- increase the size of the social housing stock to meet the needs identified by the 2006 Housing Needs Survey; and
- continue to provide a supply of partial ownership properties that provide alternative tenure choices for first-time buyers and tenants displaced under tenancy review procedures.

138. During 2009, the GHA, working closely in partnership with the Housing Department, has continued to implement the Social Housing Development Plan as detailed below.
139. In addition, the Housing Department has commenced work on preparing a new 5-year Plan to cover the period 2013-2017, the details of which will be reported to the States at the appropriate time.
140. As with the current one, the focus of this new Social Housing Development Plan, is on meeting **general housing** needs; more defined housing needs – for key workers, specialist housing for older people and supported housing - are to be addressed by separate Plans and programmes referenced elsewhere in this Report.

Hougue a la Perre

141. At the time of writing the 2008 CHP Report, 6 partial ownership homes had been sold at the GHA's Hougue a la Perre development (on the site of the former Bouet Bus Garage). The remaining properties – 46 social rented units and a further 25 partial ownership homes – became available in the autumn of 2009, and the new development is now fully occupied.

¹⁸ Housing Department 'Social Housing under the Corporate Housing Programme: Development Plan for the Period 2008 -2012' – Billet d'État XXV, December 2007.

142. Hougue a la Perre was a new development on a previously privately-owned site purchased by the GHA; thus there has been a gain of 77 units – 69 flats and 8 houses - for the social and intermediate markets. Of the flats, 4 were specifically designed for wheelchair users; and all the social rental housing was designed to meet the needs of older tenants, with lift access to all flats.
143. The approved grant for Hougue a la Perre was £6,156,300. However, despite encountering various problems during development, the final sum paid in grant totalled £5,155,300 – just over £1 million less than budgeted for. This is equivalent to less than 35% of the estimated total development and land costs.

Sir John Leale Avenue

144. October 2009 saw the opening of the first phase of the Sir John Leale Avenue development at Victoria Avenue.
145. Phase 1 consisted of 9 partial ownership properties and 8 one- and two-bedroomed bungalows designed for older people.
146. Phases 2 and 3, to be completed by April 2010, will bring the total number of new properties to 58, including the 9 partial ownership properties.
147. There were 46 units on the old Victoria Avenue development, including the 8 houses that were refurbished and sold under the partial ownership scheme in 2008 (and for which the CHP Fund received sale proceeds of £795,000). Therefore, there will be a net gain of 20 units as a result of this redevelopment.
148. All the social rental properties have been specifically designed to meet the needs of the Housing Department's older tenants. In this regard, it is to be noted that the properties have also been designed using lifetime home principles, which aim to provide flexible accommodation that is adaptable to changing needs as people age.
149. Sir John Leale Avenue is also significant in that it has set a benchmark for future social housing developments – indeed all new housing in the island - in using sustainable technology in the design and build, together with other energy efficient measures. Examples are: very high insulation levels are being achieved through the use of Structurally Insulated Panels; solar panels are being used to provide hot water and heating; and a heat recovery system is in place to warm the fresh air brought into the homes.
150. It is believed that these energy efficiency measures, which support the objectives of the States Energy Policy, will reduce fuel bills for residents by between 50-70%.
151. Notwithstanding all these innovations, the approved States' grant for the entire development is £930,525, representing 10% of the estimated total development

costs; or 36% taking account of the residual land value of the site. To date, grant payments have totalled £774,420.

Mont Beauvoir (formerly Mont Arrive)

152. Construction has begun at Mont Beauvoir (formerly Mont Arrive), where 10 inadequate family homes have been demolished to be replaced by 15 two-bed bungalows, designed to meet the needs of the Housing Department's older tenants currently under-occupying family properties.
153. Taking a lead from Sir John Leale Avenue, the new properties will be built to very high insulation standards, have solar panels for hot water, and a heat recovery ventilation system.
154. The approved States' grant for this scheme is £448,000, representing 15% of the total development costs; or 36% taking into account the residual land value of the site.

Baubigny Arsenal

155. Baubigny Arsenal was identified by the Housing Department as an 'incompatible' property, requiring significant renovation to bring the accommodation up to modern day standards. Having initially agreed that the property should be disposed of, the Department subsequently carried out a comprehensive options appraisal for the site and concluded that the two wings of the Baubigny Arsenal building should be transferred to the GHA for refurbishment as social housing. Its refurbishment will provide 4 x 1-bed flats, 2 x 1-bed houses and 4 x 2-bed houses for rent. Treasury and Resources will retain the central store area.
156. The States' grant is expected to be in the region of £150,000 representing 10.5% of the total development costs. This increases to 38% if a residual land value is taken into account.
157. Existing tenants are currently being offered alternative accommodation, with a view to redevelopment commencing in late 2010.

La Rue Clouet (Grand Bouet Phase 1)

158. During 2009 the GHA demolished the most easterly part of the Grand Bouet Estate.
159. In April/May 2010 work was due to begin on a replacement development - to be named 'La Rue Clouet' - that will provide 55 social rented and partial ownership properties (the former specially designed for older people).

160. The anticipated States' grant for this scheme is £1,540,000, representing 17% of the total development costs; or 35% taking into account the residual land value of the site.

Grand Bouet Phases 2&3/Brock Road

161. The 2008 CHP Report recorded that the SLPG was investigating the feasibility of reserving part of the Grand Bouet Estate as a Strategic Industrial Reserve (SIR), to form an eastern extension to the Key Industrial Area at the Pitronnerie Road Industrial Estate, which would have implications for the future redevelopment of Phases 2 and 3, particularly as the properties at the Grand Bouet would not be fit for human habitation beyond mid-2010.
162. The SLPG was thus charged with looking for alternative sites in States' or private ownership to compensate the Housing Department, into which the tenants of the Grand Bouet could be rehoused. In the event, that search resulted in only the old Boys' Grammar School site in Brock Road being identified as a development site.
163. However, due to a combination of political and operational reasons – the delay in the capital prioritisation debates and the inability of the Education Department to relocate the occupants of the Brock Road site during an academic year – Education has advised that its earliest vacation date is summer 2011.
164. In the meantime, a major logistical exercise to relocate the 230+ tenant households at the Grand Bouet has been proceeding and is well-advanced: the few remaining tenants are all due to be relocated by summer 2010 at the latest.
165. The relocation of these tenants has, however, been at a price: the Housing Department has been forced to use the new GHA developments at Hougue a la Perre and Sir John Leale Avenue almost exclusively to relocate Grand Bouet tenants because of the lack of alternative site provision. However, these new developments were not planned for this purpose; rather they were planned to enable the relocation of tenants from other estates to address problems of under-occupation of family houses - a central objective of the Social Housing Development Plan.
166. It also meant that once Sir John Leale Avenue was completed in the early part of 2010, apart from La Rue Clouet there would be no other major social housing development in the pipeline until Brock Road could be developed. Thus, faced with a significant hole in the delivery of the Social Housing Development Plan – caused by circumstances outside of its control - the Department had to decide whether to redevelop the remainder of the Grand Bouet.
167. After careful consideration, and notwithstanding its concerns about the concentration of social housing in this area, the Department has decided that, via the GHA, it will redevelop the area known as Phase 2, but that the most westerly

part of the estate (adjoining the Pitronnerie Road Industrial Estate) can be redesignated as a SIR.

168. Although the redevelopment is in the early planning stages, it is envisaged that a mix of housing types and tenures (i.e. to include partial ownership homes) will be included in the new scheme.
169. Development will also be guided by the respective Local Planning Briefs for Phases 2 and 3, which are currently being prepared by the Environment Department. (It has yet to be decided what type of industry/commercial activity might occupy the Phase 3 site; however, it is accepted that any such development would need to be sensitive to the proximity of adjacent housing.)
170. It is too early to give any accurate estimate of costs for this Phase 2 development, but budgetary provision has been made for a capital grant in excess of £3 million, which includes paying for the demolition of all the remaining properties on both the Phase 2 and 3 sites. This demolition will proceed in 2010, once the estate is fully vacated.

Brock Road

171. The Treasury and Resources Department has agreed that the site of the former Boys' Grammar School, currently occupied by an Annexe of the College of Further Education, may be redeveloped for social housing.
172. The Environment Department is currently finalising a Planning Brief for the site, which will be the subject of public consultation during 2010.
173. At the same time, the Housing Department is in discussion with the GHA about the type of housing to be provided on this site, with the likely emphasis to be on housing for older people.
174. However, while all the necessary planning matters can be addressed in the near future, for the reasons explained in paragraph 163 above, development will not be able to proceed until the second half of 2011 when the Brock Road site is vacated.
175. It is too early to give any accurate estimate of costs for this development, but budgetary provision has been made for a capital grant of approximately £2 million.

Cour du Parc

176. Cour du Parc is a multi-storey building comprising 40 x 2-bed flats and 2 bedsits.
177. Over recent years, the Housing Department has become increasingly concerned at the suitability of this accommodation to provide modern social rented housing.

178. These concerns have been heightened by increasing maintenance bills, especially relating to the single lift in the building which frequently breaks down, causing severe, if generally short-lived, inconvenience to the young families and older people who live on the higher floors.
179. Against this background, and mindful of the estimated expense of works to upgrade the accommodation and replace the ageing lift, the Department has concluded that it would not be cost-effective to retain the building for social housing. The Department is thus currently assessing whether it should be sold or converted for another housing use, and expects to reach a conclusion before the end of 2010.
180. In parallel with this option appraisal, the Department has committed to relocating all of the tenants in the building, many of whom are already on its transfer list, before the end of 2010.

Rural Area development programme

181. While it is accepted that the majority of new social housing development will be in the Urban Area, it has been acknowledged that there is an urgent need to provide smaller residential developments close to existing Housing Department estates in the Rural Area.
182. In these areas there are many family houses that are under-occupied by older tenants that have lived in these areas most of their lives, and who wish to remain in the communities where they have established social networks.
183. To address these needs, in conjunction with the GHA, the Housing and Environment Departments have identified a limited number of sites within the Rural Area – the majority privately-owned - that meet the criteria for the development of social housing under the RH2 exceptions policy. In total, it is estimated that these sites could provide up to 78 homes, with the maximum number of homes on any one site being in the region of 20 dwellings.
184. The GHA and Housing Department have agreed with the Treasury and Resources Department the terms under which the GHA may approach the owners of privately-owned sites to acquire them for the purpose of social housing development; and one of the privately-owned sites has been identified as a potential ‘pilot development’. The GHA is currently working with the Environment Department to consider a housing scheme for that particular location.
185. The sum of around £3 million has been budgeted to acquire and develop these Rural Area sites over the next 5 years.

Incompatible properties

186. During 2009 the Housing Department has continued to dispose of properties identified as ‘incompatible’ because they are uneconomic to refurbish and retain.

187. Since the 2008 CHP update, sales have been agreed for 15 of the 16 former States' houses at Jardin de Haut (formerly the Petit Bouet Estate); at the time of writing, one remains on the market. Gross sales in 2009 were £2.4 million. These monies have been ring-fenced to help fund replacement social housing being built by the GHA.
188. In 2010 further properties will be sold, subject to prior consultation with other departments and Non-Governmental Organisations who may have an interest in permanently using or acquiring these properties. Where other departments or agencies may have a short-term use for them, the temporary use of vacant incompatible properties awaiting sale will also be explored. (For example, at the time of writing, the Housing Department has agreed that the Health and Social Services Department can use two of its 'incompatible' properties, on a short-term basis, in order to meet the immediate and pressing need for accommodation for children and young people.)
189. Aside from Housing staff time, there are no direct CHP costs related to the sale of incompatible properties; however, it is anticipated that these sales may raise a further £2.5 million over this year and next.

Partial ownership

190. Partial ownership is designed to make home ownership affordable to first-time buyers who earn too much to be housed in social housing provided by either the Housing Department or the GHA, but who do not earn enough to purchase property outright. Purchasers are able to buy between 40% and 80% of the value of a property on a 125-year lease. The GHA retains the balance of the equity, in respect of which it charges a discounted rent.
191. During 2009, a total of 34 partial ownership properties were sold: 25 at Hougue a la Perre; and 9 at Sir John Leale Avenue. A further 21 are expected be sold in 2010 or early 2011; namely: 4 former States' houses at Jardin de Haut which are being refurbished by the GHA; and 17 at La Rue Clouet.
192. It was noted above that the Housing Department has provisionally assessed that the need is for 50 new partial ownership properties per year over the next 5 years. Against that background, and aware that, at the time of writing, there were 154 households on the GHA's partial ownership waiting list, the Housing Department is committed to increasing the supply of partial ownership property on all new major social housing developments being undertaken by the GHA.
193. The cost of delivering these new properties will form part of the capital grant payments made to the GHA.

Self-regulation of the private rental sector

194. The Housing Department continues to maintain regular dialogue with the Guernsey Private Residential Landlords Association (GPRLA).

195. The GPRLA is making good progress in terms of raising its profile and increasing its membership, which at the end of 2009 represented approximately 400 to 450 letting units.
196. An Open Evening was held in April 2009 in an effort to increase membership, and a number of seminars on issues affecting the private rental sector have been well attended. The GPRLA continues to explore the possibility of establishing an accreditation scheme for its members.
197. The Housing Department has agreed to contribute £1,000 to establish a new website for private landlords. The site will include general information and useful contacts, together with a dedicated area for GPRLA members, giving them access to resources such as the common tenancy agreement. The website will go live in 2010.
198. Aside from this contribution and Housing staff time, there are no direct CHP costs related to this ongoing dialogue.

Houses in Multiple Occupation

199. A research paper highlighting the need for a cross-departmental, multi-agency approach to addressing poor quality standards in private sector Houses in Multiple Occupation (HMOs) – lodging houses and staff accommodation - resulted in the creation of a staff-level Working Group in late 2007. The Working Group is represented by the Housing and Commerce and Employment Departments, together with the Office of Environmental Health (Health & Social Services Department), the Fire and Rescue Service (Home Department), the Citizens Advice Bureau and the GPRLA.
200. In 2009 the Working Group identified a number of options including the introduction of a statutory HMO licensing system which could be linked to the introduction of minimum standards.
201. Before, however, it could report to the States, the Health and Social Services Department brought forward its own proposals to update the public health legislation on overcrowding¹⁹, which the Housing Department was pleased to support.
202. When implemented the public health proposals will extend beyond HMOs and affect the whole of the private rental market.
203. The Housing Department takes the view that the amendments to the legislation will help eliminate the worst cases of overcrowding and give added protection to vulnerable tenants. Accordingly, it is reconsidering the content of its own

¹⁹ Health and Social Services Department 'Public Health Legislation: Housing – Overcrowding Standards' - Billet d'État XIII, May 2009.

proposals, with view to seeing how these may complement the positive steps taken by Health and Social Services.

204. Aside from Housing staff time, there are no direct CHP costs associated with this review.

Review of the Rent Control (Guernsey) Law 1976 (as amended)

205. The Housing Department, in conjunction with the Treasury and Resources Department (Cadastre), is reviewing the relevance of Rent Control in the private rented sector. Only a handful of properties are currently subject to Rent Control and the numbers reduce each year.
206. The key issue for the Housing Department is whether the Rent Control legislation supports (or could be made to support) the States Housing Strategy, which addresses issues of availability, affordability and quality of accommodation in all tenures, including the private rented sector.
207. The Department consulted with a number of interested parties during 2009, and intends to present its report to the States on the future of Rent Control in 2010, at the same time as it reports on measures for HMOs.
208. Aside from Housing staff time, there are no direct CHP costs associated with this review.

Key Worker Housing Strategy

209. Drawing on the research of the Key Worker Housing Group (KWHG), the Housing and Health and Social Services Departments reported to the States in March 2007 with a 'green paper' consultation document on the recruitment and retention of 'key workers'²⁰.
210. The Report's 19 recommendations amounted to a framework for an integrated corporate strategy that would address 'key worker' recruitment and retention. The Report also highlighted changes to current policy that could deliver significant long-term revenue and capital savings (which would support the objectives of the Financial Transformation Programme).
211. The States resolved as follows:
- That, based on the recommendations set out in the KWHG report, an integrated corporate strategy be formulated on the recruitment and retention of key workers that would encompass the provision and funding of suitable key worker housing initiatives and the adoption of tailored housing licence and remuneration policies.

²⁰ See footnote 10.

- To direct the Housing and Health and Social Services Departments to report back to the States by March 2008 with firm proposals based on the further investigations required, taking into account the views expressed by the States and other interested parties.
 - To direct all relevant States' departments and committees to act in accordance with the Action Plan set out in Annex A to that report, so as to enable the Housing and Health and Social Services Departments to report back to the States by March 2008.
212. Regrettably, the March 2008 deadline proved to be an over-ambitious target but the work described above is continuing, albeit it is now targeted at specific issues highlighted in the 'green paper'.
 213. The principal emphasis is currently on the selection of a housing association 'partner': (i) to take over the management of the States' existing portfolio of directly provided 'key worker' accommodation; and (ii) to establish a build programme of purpose-built accommodation for 'key workers' that, in time, should reduce the reliance on renting properties from the private sector, which is not cost-effective.
 214. An 'expressions of interest' exercise designed to identify a housing association with the expertise to manage both new and existing accommodation for 'key workers' attracted responses from four reputable housing associations, all of whom were sent 'partnering packs' in December 2009.
 215. The closing date for receipt of their responses is the end of February 2010, whereupon the preferred 'partner' will be chosen and the terms of their engagement negotiated. The Housing and Health and Social Services Departments will then report to the States by the end of 2010 to seek approval to enter into the proposed partnership arrangements.
 216. In the meantime, work is continuing to prepare the Priaulx Garage site near the Ruettes Brayes roundabout for redevelopment as 'key worker' housing, as this has been identified and reserved as the first development site for the prospective 'partner'.
 217. A Local Planning Brief is being prepared for the Priaulx Garage site, and this will be published by the Environment Department for public consultation in due course.
 218. In addition, during 2009 - and with the agreement of Treasury and Resources - to enhance the site's development potential, the adjacent former Island Shopper and adjoining property were purchased via the CHP Fund for the sum of £625,000.
 219. However, the redevelopment of the Priaulx Garage site alone will not address the immediate need for 200-250 units of purpose-built accommodation for

public sector ‘key workers’. Accordingly, based on the assumed grant levels required, just over £5 million has been included in the CHP projections to initiate a ‘key worker’ build programme in the years 2011-2014.

220. In addition, in the absence of any other States’ monies being available for this purpose, the Housing Department considers that it is prudent to set aside in its financial projections a further £5 million for further strategic purchases, i.e. to acquire properties whose size and location make them ideal for redevelopment as ‘key worker’ accommodation. Such purchases will, however, only be made with the prior agreement of the Treasury and Resources Department.
221. In parallel with the search for a housing association partner two other complementary workstreams are being considered.
222. First, a major review is being undertaken of the way in which States’ departments set and abate rents for their accommodation. The 2007 ‘green paper’ evidenced that there were no consistent policies applied across the States, which resulted in a number of fundamental anomalies and inefficiencies. It is considered to be a prerequisite that before a housing association partner is engaged these anomalies are ironed out and consistent policies are established.
223. Secondly, the basis upon which housing benefit and rent allowance are paid to public sector ‘key workers’ merits review; especially as the short- to medium-term objective is to reduce the number of persons eligible for such assistance through the provision of purpose-built ‘key worker’ accommodation. At the time of writing, a scoping exercise for this review was shortly to take place.

ACTION AREA C – SUMMARY OF WORKSTREAMS

- **As part of the current Social Housing Development Plan, for the Guernsey Housing Association to complete the social housing developments at Sir John Leale Avenue, Mont Beauvoir and La Rue Clouet.**
- **For the Guernsey Housing Association to refurbish the two wings of Baubigny Arsenal for re-letting as social rental housing.**
- **For the Housing Department to complete the relocation of the remaining tenants at the Grand Bouet.**
- **Once vacated, for the Guernsey Housing Association to demolish the remaining properties at the Grand Bouet.**
- **For the Environment Department to prepare a Local Planning Brief for the redevelopment of the Grand Bouet Phase 2.**

- For the Housing Department and the Guernsey Housing Association to plan the redevelopment of the Grand Bouet Phase 2.
- For the Environment Department to prepare a Local Planning Brief for the redevelopment of the old Boys' Grammar School at Brock Road.
- For the Housing Department and the Guernsey Housing Association to plan the redevelopment of the old Boys' Grammar School at Brock Road.
- For the Housing Department to carry out an options appraisal to determine whether Cour du Parc should be sold or converted for another housing use.
- For the Housing Department to relocate all tenants living at Cour du Parc by the end of 2010.
- For the Housing Department to prepare, for States' consideration, a new Social Housing Development Plan to meet general housing needs over the period 2013-2017.
- For the Housing Department and the Guernsey Housing Association to bring forward sites for social housing in the Rural Area that have been identified as meeting the criteria for development set out in Policy RH2.
- For the Housing Department to continue to sell those properties identified as incompatible.
- As part of the current and future Social Housing Development Plans, for the Housing Department to work closely with the Guernsey Housing Association to provide an increased supply of properties for partial ownership sale.
- For the Housing Department to continue to support the GPRLA to progress the self-regulation of the private rented sector.
- For the Housing Department to co-ordinate and finalise proposals for a cross-departmental and multi-agency approach to facilitate improvements in the standards of Houses in Multiple Occupation.
- For the Housing Department to finalise and report to the States its findings on a review of the Rent Control (Guernsey) Law 1976.
- For the Housing and Health and Social Services Departments to report back to the States on its efforts to find a suitable housing association 'partner': (i) to manage the States' existing stock of "key worker" accommodation; (ii) to establish a build programme of new 'key worker' accommodation.

- **For the Environment Department to prepare a Local Planning Brief for the redevelopment of the Priaulx Garage site.**
- **For the Housing, Health and Social Services, and Treasury and Resources Departments, to review how States' departments set and abate rents for their accommodation and resolve inconsistencies in policy and practice.**
- **For the Policy Council (Human Resources Unit), Housing and Treasury and Resources Departments to review the eligibility for, and payment of, housing benefit and rent allowance to public sector 'key workers'.**

ACTION AREA D – STATES-OWNED STOCK

Objective: To maintain and improve the quality of States-owned housing stock, and to provide high quality tenancy services to the occupiers of those dwellings in order to foster communities that are pleasant and safe to live in.

Lead department: Housing

Review of Allocations Policy for social rental housing

224. The Allocations Policy for States' housing was last reviewed in 2007, when the financial eligibility criteria and the income threshold limits were significantly increased. The new income limits took account of the cost of renting property in the private sector, thereby ensuring that those in need of assistance to meet their accommodation requirements were able to access social rented housing. The new limits led to an increase in both the number of those eligible to apply for social housing and the number of households already living in social housing that remained eligible to remain in such accommodation.
225. The Housing Department plans to carry out a major review of the Island's social housing Allocations Policy during 2010. This review will cover income thresholds and the eligibility criteria for social housing maintained by both the Housing Department and the GHA. The review will also explore the feasibility of combining the two waiting lists and the impact that this would have on the Department's nomination rights in respect of new GHA developments.
226. The Older People's Strategy and the emerging Supported Housing Strategy - both described below - will also have an influence on any new Allocations Policy.
227. Aside from Housing staff time, there are no direct CHP costs associated with this review.

Review of the Rent and Rebate Scheme

228. If every tenant paid their rent in full, the Housing Department could expect to collect £16.95 million in rental income in 2010. However, because of the high number of tenants eligible for a rebate, tenants are expected to claim rebates worth £9.18 million, reducing rental revenue to £7.77 million.
229. Furthermore, tenants of the GHA that are nominated by the Housing Department are also eligible to claim a rent rebate. The rebate bill in respect of these tenants is expected to be £683,406 in 2010, taking the overall cost of rebates to £9.86m.
230. These figures take account of the fact that, in 2009, the Housing Department presented a States Report setting out the findings of a major five-year review of the Rent and Rebate Scheme²¹.
231. The Department concluded – and the States accepted - that the rent-setting formula, with some minor modifications, remained a reliable way of determining the true cost of providing social housing.
232. With regard to the Rebate Scheme, the Housing Department recommended no significant changes to its operation, because it was working closely with the Social Security Department to examine the future of the Scheme; in particular, the interaction of rent rebates and supplementary benefit, and the impact of the benefit limitation on public and private sector rents.
233. This review is ongoing, although the Social Security Department has agreed in principle - and subject to States' approval - to assume responsibility for assisting low income tenants with the cost of social housing rents, thereby negating the need for a separate Rent Rebate Scheme; but additional work needs to take place to determine the impact that any changes would have on tenants.
234. However, this additional work is part of a broader review of the provision of welfare benefits in Guernsey and Alderney – a review that is likely to result in a more integrated welfare system. The Social Security Department estimates that it will be at least 2012 before a new welfare system is in place, and it is therefore expected that the Housing Department will continue to administer rent rebates for at least another two years.
235. To help progress this review, the Housing Department agreed that it was appropriate to use approximately £50,000 of CHP funds to enable the Social Security Department to employ a dedicated a Projects Officer during 2010.

Modernisation of the existing States housing stock

236. A large portion of the expenditure from the CHP Funds is related to maintaining

²¹ Housing Department 'A Review of the Rent and Rebate Scheme' – Billet d'Etat XXVII, October 2009.

the Housing Department's 1,800 plus units of social housing in good repair, together with programmes to modernise and upgrade this housing stock.

237. Separate programmes of improvements are currently being carried out on various estates: these include re-roofing, improved emergency vehicle access, extra car parking provision, drainage work and general estate enhancements.
238. These day-to-day and planned maintenance/improvement programmes will continue for the foreseeable future; accordingly, £27.5 million (or £5.5 million per annum) has been budgeted for this necessary expenditure over the next 5 years (2010-2014).
239. In addition, the States' housing stock is undergoing a modernisation programme. The current phase of the modernisation programme, which is due for completion later in 2010, will see 1,200 properties gaining new or improved electrical installations, central heating and new/upgraded loft insulation. In addition, approximately 900 properties are undergoing cavity insulation.
240. The next phase of the modernisation programme (2011 - 2014) will focus on the provision of kitchens and bathrooms to replace the somewhat inadequate and out-dated facilities in many properties.
241. Taken together, the projected cost to the CHP Fund of the modernisation programmes over the next 5 years is £18.625 million.

ACTION AREA D – SUMMARY OF WORKSTREAMS

- **For the Housing Department to review, in conjunction with the Guernsey Housing Association, the Allocations Policy for social rental housing in the Island.**
- **As part of its major review of welfare benefits, for the Social Security Department to work closely with the Housing Department to examine the future of the Rent Rebate Scheme.**
- **For the Housing Department to continue with its long-term improvement/modernisation programmes for States' houses.**

ACTION AREA E – SUPPORTED HOUSING PROVISION

Objective: To develop appropriate options for persons requiring supported accommodation, which may include older persons, young people, people with a learning disability, persons with a mental illness, ex-offenders etc.

Lead department: Housing

Developing an Older People's Housing Care and Support Strategy

242. The Housing Department, in partnership with the Health and Social Services Department, is leading on the development of an Older People's Housing, Care and Support Strategy aimed at people aged 55 and over. Other key stakeholders are the Social Security and Treasury and Resources Departments.
243. Considerable research and public consultation undertaken during 2008 and 2009 will culminate in 2010 with a comprehensive report to the States that will examine the social and financial implications of an ageing population. The Strategy Report will set out a raft of recommendations as to how best to address the predicted additional demands on housing, health and social care services.
244. In particular, the Strategy will largely (but not exclusively) focus on enabling older people to live independently, as research has demonstrated that the type of services that older people want and need in order to remain in the community (rather than move into institutional care) are cost-effective in the long-term²².
245. From a more narrow housing perspective, the Strategy, which has already being assigned a high priority within the Social Policy Plan, will, *inter alia*, recommend funding and partnership models designed to facilitate increased provision of extra care, sheltered and retirement housing.
246. As noted above, current estimates are that there is:
 - An immediate need for 100 units of specialised housing – sheltered or extra care housing – to meet the needs of older people currently accommodated in social rental housing;
 - An additional 30-50 units of specialised housing each year, over the next 5 years, to meet the needs of older people who would otherwise be referred to residential or nursing home care, or supported at home by social services.
247. The build costs of meeting this need are, as one might expect, substantial: estimated at £31 million over a 4-year period starting in 2011²³. However, without this build programme, older Islanders will, given the current almost total absence of such housing choices, be admitted to more expensive institutional residential care, where they will be a cost to the Long-Term Care Insurance Fund.

²² These services include a travelling warden service; community alarm services; and low-level support services such as handyman and repairs services.

²³ Although not identified here, there will also be increased revenue costs associated with the implementation of the Strategy. How these are to be funded is one of the matters that will be considered by the Strategy Report.

248. The Strategy will also recommend the introduction of planning policies that incorporate specific design principles to improve the long-term suitability of all new build housing, as well as recommend changes to the current definition of sheltered housing to reflect the need to emphasise the importance of service delivery not just built form.

Supported Housing Strategy

249. The Housing Department, in partnership with the Health and Social Services Department - and with the involvement of all other relevant States' departments and non-governmental organisations - is leading on the development of an integrated strategy for Islanders who require help to live independently. A Supported Housing Working Group has been established and meetings were held throughout 2009.
250. 'Supported housing' is defined as a set of care/support services delivered by multiple agencies and intended to develop a person's capacity to live independently in accommodation. The Strategy is likely to involve the creation of a team of Supported Housing Workers and a Needs Assessment Panel.
251. The aim of the Strategy is to meet the housing and support needs of potentially vulnerable or excluded groups who are at risk of becoming homeless or reliant on institutionalised care. These groups include:
- Adults with a learning disability or mental health problems;
 - Adults with physical and/or sensory disabilities;
 - Older people;
 - Young people leaving statutory care;
 - Victims of domestic abuse; and
 - The homeless – i.e. those people who do not fall into any of the categories above but who, because of their age, health, income or family circumstances, may otherwise struggle to find somewhere to live.
252. The Strategy will also address accommodation problems experienced by people who exhibit challenging behaviour, such as offenders, people leaving prison, and people with substance misuse issues.
253. In 2009 the Housing Department commissioned the Health and Information Exchange to carry out research that would establish the long-term accommodation requirements of people with physical and mental disabilities. The research, which is likely to involve a public consultation exercise, is being carried out primarily to enable the Housing Department to determine future housing need in the context of the Supported Housing Strategy.

254. The Strategy was highlighted as a medium priority in the Social Policy Plan. It is expected that, to implement its recommendations, there will be no need to build any purpose-built accommodation; however, it is anticipated that there will be a need for four additional staff to be employed as Supported Housing Workers by the Housing Department. This will represent an ongoing cost to the CHP Fund of approximately £165,000 per annum, commencing in 2011, when it is intended that the Housing and Health and Social Services Departments will present a joint Report to the States.

Guernsey Youth Housing Project

255. The Guernsey Youth Housing Project was established in 2002 to provide a range of housing and social support services to teenagers and young adults at risk of homelessness, unemployment and social exclusion.
256. The Project is managed and operated by the registered charity Action for Children (AFC), albeit that its services are fully funded by a revenue grant from the States via the Housing Department. The provisional budget set aside for this purpose in 2010 is £400,000.
257. In December 2009, the States was due to consider a joint Report from Housing and Health and Social Services²⁴ that set out proposals to address the expiry of the initial 5-year contract with AFC entered into by the two departments. However, the Report was formally withdrawn without debate at the February 2010 sitting of the States, to enable further dialogue to take place regarding future funding if, as recommended, responsibility for this was transferred to Health and Social Services.
258. As a result of those discussions, it has now been agreed that funding responsibility will remain with the Housing Department. In the meantime, both departments are engaged in a review of the services offered by AFC, as a precursor to entering into a new 5-year contract that will run to the end of 2014.
259. As an interim arrangement – and pending the outcome of the review of services – the contract that was due to expire on 31 December 2009, has been extended to 30 June 2010.

ACTION AREA E – SUMMARY OF WORKSTREAMS

- **For the Housing and Health and Social Services Departments to present to the States an integrated Older People’s Housing, Care and Support Strategy; and, thereafter, to implement its recommendations.**

²⁴ Health and Social Services Department and Housing Department ‘Guernsey Youth Housing Project – Action for Children Contract’ Billet d’Etat XXXIII, December 2009.

- **For the Housing and Health and Social Services Department to present to the States a Supported Housing Strategy; and, thereafter, to implement its recommendations.**
- **For the Health and Social Services Department to review the type and costs of the services provided by Action for Children; and, thereafter, to enter into a new five-year contract with Action for Children to deliver the Guernsey Youth Housing Project until the end of 2014.**

ACTION AREA F – INFORMATION

Objective: To establish an authoritative system for collating information about housing in order to monitor and review the effectiveness of the Corporate Housing Programme against strategic objectives.

Lead department: Policy Council (Policy and Research Unit)

Housing Needs Survey

260. Independent expert surveys of the Island's housing requirements are, by States Resolution, to be carried out at intervals of not less than 5 years.
261. Preparations have already begun for the 2011 Housing Needs Survey, the findings of which will be reported to the States.
262. Based on previous experience, the 2011 Survey is likely to cost in the region of £50,000, which will be charged to the CHP Fund.

Establishment of an authoritative system for collating and reporting housing-related information

263. For many years, the Policy Council's Policy and Research Unit (PRU) has been examining ways to overcome difficulties in obtaining accurate, reliable and timely housing-related data.
264. In recognition of its importance to the monitoring of the entire Programme, to assist the PRU the Housing Department has provided, from the CHP Fund, two years of funding to enable a Graduate Officer to work on this significant project.
265. Means have now been found of reliably capturing data on the:
 - the number of residential properties in the Island;
 - the number of new builds and completions;

- the number of bedrooms in each property; and
 - the number of empty properties.
266. This data will be stored in a Housing Corporate Information System that will be developed and subsequently managed by Digimap at a cost of £36,350, the establishment of which will be financed through the CHP Fund.
267. In addition to the above data sets, the PRU is continuing to investigate how to obtain and record other housing-related data, with the ultimate objective of providing a quarterly bulletin on housing statistics similar in style and format to its Labour Market Bulletin.

ACTION AREA F – SUMMARY OF WORKSTREAMS

- **For the Housing Department to carry out a Housing Needs Survey in 2011.**
- **For the Policy Council's Policy and Research Unit to oversee the implementation of a Housing Corporate Information System by Digimap.**
- **For the Policy Council's Policy and Research Unit to continue to investigate how to add to the housing-related data collected: (i) to enable measurement of the impact of the delivery of the Corporate Housing Programme; (ii) to assist with the development of future Corporate Housing Programme objectives and workstreams.**

ENVIRONMENTAL IMPACT

268. All new housing has an environmental impact.
269. In terms of planning, no new housing development can take place without the approval of the Environment Department. Accordingly, the Housing Department - and its development partners - work very closely with the Environment Department to ensure that all new housing schemes comply with strategic land use policies and that the detailed designs are in line with planning rules and guidance.
270. More specifically, as highlighted in this Report, social housing developments are acting as pathfinders for all new housing in the island, both through the use of sustainable technology in the design and build, and through the inclusion of other energy efficient measures such as solar panels for hot water and heating.
271. The Housing Department is committed to continuation of these eco-friendly innovations in the delivery of all new housing provided with States' funds to meet CHP objectives.

272. In addition, in respect of the existing States' housing stock, the current modernisation programme is reducing energy costs for tenants by providing new or improved electrical installations, central heating, new/upgraded loft insulation and cavity wall insulation.

STAFFING IMPLICATIONS

273. The staffing implications of the implementation of major CHP workstreams such as the Older People's Housing, Care and Support Strategy will be identified in forthcoming States Reports.
274. There are no staff savings to be made resulting from the proposals regarding the closure of the States Homes Loans Scheme or the First-Time Buyers' Grant Scheme, as they are not the core duties of any single staff member and time spent administering them is very small.

CONSULTATIONS

275. In preparing this Report, the Housing Department has liaised with each party named herein and with the Social Policy Group.
276. It has also consulted with the Law Officers of the Crown.

CONCLUSIONS

277. The above commentary provides ample evidence of the ongoing progress that has been made in furthering the priorities of the CHP and developing future objectives. On behalf of the Housing Department, I would place on record our appreciation of the concerted efforts of all Housing Department staff, and staff in other departments, external agencies and voluntary groups, for their help in moving these important CHP initiatives forward.
278. However, although this Report demonstrates that substantial progress has been made, that progress to date has been almost exclusively focused on meeting the **general housing** needs of Islanders.
279. The emphasis for future years now needs to switch to meeting more **specialist housing** needs, especially for older people, but also to address the supported housing needs of a wide range of vulnerable and disadvantaged people of all ages.
280. The States also needs to address the accommodation needs of its '**key workers**', as the current arrangements by which employing departments provide accommodation and housing subsidies are strongly at odds with the imperative of cost-effective government.

281. Accordingly, it would be wide of the mark to suggest that the Corporate Housing Programme has achieved all of its objectives; rather, many of the priorities for 2010 and beyond are important corporate initiatives in their own right.
282. The momentum achieved over recent years must thus be enhanced, not lost, if the States Housing Strategy is to continue to be implemented.
283. It is, therefore, comforting to note that, notwithstanding the huge agenda set out in this Report, current financial projections show that a consistent allocation from General Revenue of £8.0 million per annum will be sufficient to sustain the entire Programme over the next five years.

RECOMMENDATIONS

284. The Housing Department recommends the States:
 - i. To note and approve the actions being taken to fulfil the States Housing Strategy, as summarised in Appendix 3 of this Report;
 - ii. To direct that the CHP workstreams set out and prioritised in Appendix 3 of this Report be included in the States Strategic Plan and/or relevant States Departments' Operational Plans, as appropriate;
 - iii. To agree that the States Houses Fund, the States Housing Association Fund and the Housing Development and Loans Fund, be subsumed into the Corporate Housing Programme Fund to create a single funding entity;
 - iv. To note that, where they remain relevant, all previous States Resolutions relating to the operation of the States Houses Fund, the States Housing Association Fund and the Housing Development and Loans Fund, shall now be read as referring to the Corporate Housing Programme Fund;
 - v. To approve the Housing Department's revised mandate as set out in Appendix 2 of this Report;
 - vi. To agree that any States-owned property or land, outside of the Housing Department's control, that is provided for the purpose of housing development in pursuit of Corporate Housing Programme objectives, shall be charged to the Corporate Housing Programme Fund at a discount to its residual land value, such sum to be agreed between the Housing Department and the Treasury and Resources Department on a case-by-case basis;
 - vii. To agree that where any property or land, under the Housing Department's control, is to be provided to another States' department to meet strategic objectives approved by the States, the Corporate Housing Programme Fund shall be paid by that department the value of that

property or land according to its intended use, such sum to be agreed between the Housing Department, the Treasury and Resources Department and the department concerned;

- viii. To agree that the First-Time Buyers Grant Scheme be closed with immediate effect;
- ix. To agree that the States Home Loans Scheme be closed to new borrowers with immediate effect;
- x. To agree that home improvement loans cease to be provided as part of the States Home Loans Scheme with immediate effect;
- xi. To approve the proposal that land owners should be able to enter into planning covenants for the purposes of ensuring the provision of social, intermediate or affordable housing, as set out in paragraphs 100 to 105 of this Report;
- xii. To direct the preparation of an Ordinance under the Land Planning and Development (Guernsey) Law, 2005 to give effect to the above decision.

Yours faithfully

D Jones
Minister

APPENDIX 1

STATES HOUSING STRATEGY

- To ensure that all persons legally resident in Guernsey have access to housing accommodation to meet their reasonable needs.
- To meet housing needs in a sustainable manner in the long-term interests of the community as a whole, making prudent use of all resources and recognising that investment in housing must be prioritised and compatible with strategic policies and the wider programme of public expenditure approved by the States.
- To ensure that there are measures in place to limit any growth in population through immigration in order to manage housing demand in accordance with the principles of sustainability.
- To provide the community with a range of housing options, acknowledging that while home ownership has historically been the preferred means of meeting housing needs, good quality, fairly priced housing may be provided across the housing market by other means and through a variety or mix of agencies – public, private and voluntary.
- To enable housing to be provided for those financially unable to enter the private housing market, either to purchase or rent, through a range of housing measures attuned to meeting their specific housing needs including social rented housing, partial ownership schemes etc.
- To enable the provision of supported accommodation for persons with special needs including accommodation for older persons, young people, people with a learning disability, persons with a mental illness, ex-offenders etc.
- To maintain and improve the quality of housing in Guernsey across all sectors bearing in mind the impact of housing conditions on the health and well-being of the community.

APPENDIX 2

CURRENT MANDATE OF THE HOUSING DEPARTMENT

MANDATE

a) To advise the States on matters relating to:

- The Island's Housing Strategy and Corporate Housing Programme to meet identified housing needs.

And to be responsible for: -

- (i) The overall coordination and direction of the Corporate Housing Programme;
 - (ii) Specific action areas of the Corporate Housing Programme as lead or joint lead department;
 - (iii) The provision and management of social housing administered by the States, including administration of the States Houses Fund;
 - (iv) Facilitating and supporting the development of non-governmental bodies to provide affordable social housing to meet the needs of the Intermediate Housing Market;
 - (v) The regulation and funding of housing associations and other non-governmental bodies providing affordable social housing to meet the needs of the Intermediate Housing Market, including administration of the States Housing Association Fund;
 - (vi) The administration of the Housing Development and Loans Fund to provide financial assistance for house purchase and repair;
 - (vii) Establishing initiatives to improve the affordability and quality of the private rental sector without reducing its size, including administration of the Rent Control Law;
 - (viii) Controls on housing occupation through the administration of the Housing Control and Right to Work Laws;
 - (ix) Managing Maison Maritaine and Longue Rue House.
- b) To contribute to the achievement of strategic and corporate objectives, both departmentally and as part of the wider States organization, by:

- (i) developing and implementing policies and legislation, as approved by the States, for the provision of services in accordance with this mandate; and
 - (ii) actively supporting and participating in cross-departmental working as part of the Government Business Plan process and ensuring that public resources are used to best advantage, through co-operative and flexible working practices.
- c) To exercise the powers and duties conferred on it by extant legislation.
- d) To exercise the powers and duties conferred on it by extant States resolutions, including all those resolutions, or parts of resolutions, which relate to matters for the time being within the mandate of the Housing Department and which conferred functions upon the former: -
 - Cadastre Committee
 - Housing Authority.
- e) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to the Department.

PROPOSED MANDATE OF THE HOUSING DEPARTMENT

MANDATE

a) To advise the States on matters relating to:

- The Island's Housing Strategy and Corporate Housing Programme to meet identified housing needs.

And to be responsible for: -

- (i) The overall coordination and direction of the Corporate Housing Programme;
- (ii) Specific action areas of the Corporate Housing Programme as lead or joint lead department;
- (iii) The provision and management of social housing administered by the States;
- (iv) Facilitating and supporting the development of non-governmental bodies to provide social rental and other forms of social housing to meet identified housing needs;
- (v) The regulation and funding of housing associations and other non-governmental bodies providing social rental and other forms of housing to meet identified housing needs;
- (vi) The administration of outstanding loans provided to borrowers by the Department for house purchase and repair;
- (vii) Establishing initiatives to improve the affordability and quality of the private rental sector without reducing its size, including administration of the Rent Control Law;
- (viii) Controls on housing occupation through the administration of the Housing Control and Right to Work Laws;
- (ix) Managing Maison Maritaine and Longue Rue House.

b) To contribute to the achievement of strategic and corporate objectives, both departmentally and as part of the wider States organization, by:

- (i) developing and implementing policies and legislation, as approved by the States, for the provision of services in accordance with this mandate; and

- (ii) actively supporting and participating in cross-departmental working as part of the States Strategic Plan process and ensuring that public resources are used to best advantage, through co-operative and flexible working practices.
- c) To exercise the powers and duties conferred on it by extant legislation.
- d) To exercise the powers and duties conferred on it by extant States resolutions, including all those resolutions, or parts of resolutions, which relate to matters for the time being within the mandate of the Housing Department and which conferred functions upon the former: -
 - Cadastre Committee
 - Housing Authority.
- e) To be accountable to the States for the management and safeguarding of public funds and other resources entrusted to the Department.

APPENDIX 3

PRIORITISED SUMMARY OF CORPORATE HOUSING PROGRAMME WORKSTREAMS

(NB Within each priority grouping, workstreams are listed in the same order that they appear in the Report.

In some cases the priority assigned to a workstream reflects the timing of when an action needs to be taken rather than its overall importance.)

High Priority

- **For the Treasury and Resources Department and the Policy Council's Fiscal and Economic Policy Group to identify, consider and take into account the impact of any new fiscal policy measures on the operation of the Guernsey housing market, and the housing choices available to low and middle income earners in particular.**
- **For the Strategic Land Planning Group to prepare a States Report outlining a range of options for the revised land use strategy, leading to the preparation of a revised Strategic Land Use Plan for a States' debate in early 2011.**
- **For the Housing Department to present a report to the States, identifying in detail housing requirements for the next 5 years and making the case for the release of one or more HTAs, if required.**
- **For the Environment Department to establish and measure against a set of objective criteria the order by which HTAs should be released and to prepare a report with recommendations for the order of release of the HTAs, if required.**
- **For the Environment Department to introduce legislation to enable planning covenants to be applied to HTAs in private ownership.**
- **For the Environment and Housing Departments to work together to develop the mechanism by which planning covenants are to be applied to the HTAs.**
- **As part of the current Social Housing Development Plan, for the Guernsey Housing Association to complete the social housing developments at Sir John Leale Avenue, Mont Beauvoir and La Rue Clouet.**
- **For the Housing Department to complete the relocation of the remaining tenants at the Grand Bouet.**

- **Once vacated, for the Guernsey Housing Association to demolish the remaining properties at the Grand Bouet.**
- **For the Environment Department to prepare a Local Planning Brief for the redevelopment of the Grand Bouet Phase 2.**
- **For the Housing Department and the Guernsey Housing Association to plan the redevelopment of the Grand Bouet Phase 2.**
- **For the Housing Department to carry out an options appraisal to determine whether Cour du Parc should be sold or converted for another housing use.**
- **For the Housing Department to relocate all tenants living at Cour du Parc by the end of 2010.**
- **For the Housing Department and the Guernsey Housing Association to bring forward sites for social housing in the Rural Area that have been identified as meeting the criteria for development set out in Policy RH2.**
- **For the Housing Department to continue to sell those properties identified as incompatible.**
- **As part of the current and future Social Housing Development Plans, for the Housing Department to work closely with the Guernsey Housing Association to provide an increased supply of properties for partial ownership sale.**
- **For the Housing Department to review, in conjunction with the Guernsey Housing Association, the Allocations Policy for social rental housing in the Island.**
- **For the Housing and Health and Social Services Departments to present to the States an integrated Older People's Housing, Care and Support Strategy; and, thereafter, to implement its recommendations.**
- **For the Housing and Health and Social Services Department to present to the States a Supported Housing Strategy; and, thereafter, to implement its recommendations.**
- **For the Health and Social Services Department to review the type and costs of the services provided by Action for Children; and, thereafter, to enter into a new five-year contract with Action for Children to deliver the Guernsey Youth Housing Project until the end of 2014.**
- **For the Policy Council's Policy and Research Unit to oversee the implementation of a Housing Corporate Information System by Digimap.**

Medium Priority

- For the Strategic Land Planning Group to report on the findings of the *Guernsey Tomorrow* initiative.
- As part of its review of the Strategic Land Use Plan, for the Strategic Land Planning Group to review the strategic target for the creation of new homes in the light of the findings of the 2006 Housing Needs Survey and subsequent research undertaken by the Housing Department.
- For the Guernsey Housing Association to refurbish the two wings of Baubigny Arsenal for re-letting as social rental housing.
- For the Environment Department to prepare a Local Planning Brief for the redevelopment of the old Boys' Grammar School at Brock Road.
- For the Housing Department and the Guernsey Housing Association to plan the redevelopment of the old Boys' Grammar School at Brock Road.
- For the Housing Department to continue to support the GPRLA to progress the self-regulation of the private rented sector.
- For the Housing Department to co-ordinate and finalise proposals for a cross-departmental and multi-agency approach to facilitate improvements in the standards of Houses in Multiple Occupation.
- For the Housing Department to finalise and report to the States its findings on a review of the Rent Control (Guernsey) Law 1976.
- For the Housing and Health and Social Services Departments to report back to the States on its efforts to find a suitable housing association 'partner': (i) to manage the States' existing stock of "key worker" accommodation; (ii) to establish a build programme of new 'key worker' accommodation.
- For the Environment Department to prepare a Local Planning Brief for the redevelopment of the Priaulx Garage site.
- For the Housing, Health and Social Services, and Treasury and Resources Departments, to review how States' departments set and abate rents for their accommodation and resolve inconsistencies in policy and practice.
- For the Housing Department to continue with its long-term improvement/modernisation programmes for States' houses.
- For the Policy Council's Policy and Research Unit to continue to investigate how to add to the housing-related data collected: (i) to enable measurement

of the impact of the delivery of the Corporate Housing Programme; (ii) to assist with the development of future Corporate Housing Programme objectives and workstreams.

Low Priority

- For the Treasury and Resources Department to conclude its review of Document Duty, having due regard for the impact of any proposals arising from that review on the operation of the Guernsey housing market.
- For the Housing Department to prepare, for States' consideration, a new Social Housing Development Plan to meet general housing needs over the period 2013-2017.
- For the Policy Council (Human Resources Unit), Housing and Treasury and Resources Departments to review the eligibility for, and payment of, housing benefit and rent allowance to public sector 'key workers'.
- As part of its major review of welfare benefits, for the Social Security Department to work closely with the Housing Department to examine the future of the Rent Rebate Scheme.
- For the Housing Department to carry out a Housing Needs Survey in 2011.

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

(NB The Treasury and Resources Department supports this Report and the underpinning Housing Strategy which seeks to make prudent use of all resources and acknowledges that investment demanded by the strategy must be prioritised alongside all States expenditure. The Department also looks forward to the outcomes of the on-going review of the rent and rebate scheme which will enable an equitable and more consistent housing subsidy system to be developed and for housing subsidies to be properly considered within the States Strategic Planning process.)

The States are asked to decide:-

VIII.- Whether, after consideration of the Report dated 23rd March, 2010, of the Housing Department, they are of the opinion:-

1. To note and approve the actions being taken to fulfil the States Housing Strategy, as summarised in Appendix 3 of that Report.
2. To direct that the CHP workstreams set out and prioritised in Appendix 3 of this Report be included in the States Strategic Plan and/or relevant States Departments' Operational Plans, as appropriate.
3. That the States Houses Fund, the States Housing Association Fund and the Housing Development and Loans Fund, be subsumed into the Corporate Housing Programme Fund to create a single funding entity.
4. To note that, where they remain relevant, all previous States Resolutions relating to the operation of the States Houses Fund, the States Housing Association Fund and the Housing Development and Loans Fund, shall now be read as referring to the Corporate Housing Programme Fund.
5. To approve the Housing Department's revised mandate as set out in Appendix 2 of that Report.
6. That any States-owned property or land, outside of the Housing Department's control, that is provided for the purpose of housing development in pursuit of Corporate Housing Programme objectives, shall be charged to the Corporate Housing Programme Fund at a discount to its residual land value, such sum to be agreed between the Housing Department and the Treasury and Resources Department on a case-by-case basis.
7. That where any property or land, under the Housing Department's control, is to be provided to another States' department to meet strategic objectives approved by the States, the Corporate Housing Programme Fund shall be paid by that department the value of that property or land according to its intended use, such

sum to be agreed between the Housing Department, the Treasury and Resources Department and the department concerned.

8. That the First-Time Buyers Grant Scheme be closed with immediate effect.
9. That the States Home Loans Scheme be closed to new borrowers with immediate effect.
10. That home improvement loans cease to be provided as part of the States Home Loans Scheme with immediate effect.
11. To approve the proposal that land owners should be able to enter into planning covenants for the purposes of ensuring the provision of social, intermediate or affordable housing, as set out in paragraphs 100 to 105 of that Report.
12. To direct the preparation of an Ordinance under the Land Planning and Development (Guernsey) Law, 2005 to give effect to the above decision.

HEALTH AND SOCIAL SERVICES DEPARTMENT

NURSERIES, PRE-SCHOOLS, CRÈCHES AND CHILDMINDERS – CHARGES FOR REGISTRATION AND INSPECTION

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

25th March 2010

Dear Sir

EXECUTIVE SUMMARY

1. The Health and Social Services Department is seeking States approval to introduce charges to cover the cost of the work involved in registration and inspection of private nurseries, pre-schools, crèches and childminders.

BACKGROUND AND REQUIREMENT FOR STATES REPORT

2. At the States meeting on 26 July 2006, the States approved the Department's proposals to introduce charges for the work involved in registration and inspection (including complaints investigation and enforcement) of independent care homes. These proposals were justified at that time in terms of the need to raise additional income as part of the ongoing financial review.
3. In that report, the Department indicated that it would give consideration in the near future to charging for other registration and inspection work. The area of day nurseries, pre-schools, crèches and childminders (collectively referred to as the Early Years Service) was identified, again, the intention being to cover the Department's costs in providing this service.

(Efforts have been made in this report to avoid repeating the cumbersome phrase "nurseries, pre-schools and crèches". Accordingly the phrase "childcare centres" has been used to denote these collectively.)

4. Although legislative reform is underway, with further reform imminent, at present the Child Protection (Guernsey) Law, 1972 effectively remains the legislation underlying the regulatory system for childcare centres and childminders in Guernsey. This legislation gives the Health and Social Services Department responsibility for registration, inspection, complaints investigation and enforcement within the sector.

5. The Health and Social Services Department employs three registration and inspection staff (one full time, two part time) who are responsible for registering and inspecting childminders, childcare centre owners, staff and premises in accordance with the requirements of the legislation.
6. The legislation is underpinned by a robust set of standards. This regulatory framework helps to ensure that standards are at an appropriate level throughout the sector, by applying approved standards of care through inspection. (Any imminent reforms will improve the robustness of the regulatory framework and they are not really relevant to the topic under discussion in this report.)
7. This report was drafted within the context of the current provisions of the 1972 Law which do not give the States powers to set fees for regulatory services. However section 123 of the Children (Guernsey and Alderney) Law, 2008 facilitates amendment of the 1972 Law by Ordinance.

The work of the Early Years Service

8. The Early Years Service is required by law to have a register of day care services for children under the age of five years provided by people who either work from home or from registered premises.
9. Day care services are registered if they care for children for more than two hours a day and a charge is raised for the services. To fulfil the statutory requirements of the 1972 Law, the services are visited on a regular basis. Police and health checks are carried out, along with references being obtained. The Early Years Service records all visits, and day care services receive copies of any recommendations or actions required. The Service is also available to the general public for advice on child care matters and certain training (on child protection, domestic abuse and legal issues) is available free of charge to childminders and those who provide child care services. (This training is not supplied by the Early Years Service but by the Department's Institute of Health and Social Care Studies.)
10. Nannies and au pairs are not presently required to be registered in Guernsey but the States have previously approved (in 2004 as part of the new children legislation proposals), that agencies which recruit nannies and au pairs should be required to carry out police checks in the future, and this will move forward in the near future, following implementation of the Children (Guernsey and Alderney) Law, 2008.

THE PROPOSED CHARGES SYSTEM

Costs elsewhere

11. In 2008, a research exercise was carried out into the charges levied of Early Years Service activities in other jurisdictions. The results vary greatly.

Although the figures and facts referred to in this section are referred to in the present tense, they should be read with a caveat that they may not be quite as up to date as they were at the time that research was carried out, but they should provide an indication of the figures prevalent in other jurisdictions in recent times.

Jersey

12. There were/are no registration charges at present.
13. Unless the situation has changed recently, the Jersey authorities were understood to provide eleven courses to childminders for a fee of £10. The courses run (covered by the basic fee unless otherwise stated) are as follows:

- Introduction
- Observing Children in Day Care
- Understanding Babies and Toddlers
- Child Protection (free)
- Understanding Pre-School and School Age Care
- Management of Behaviour
- Partnership with Parents – Business Aspect
- Professional Approach in Family Day Care – Creating Policies
- Maintaining a Healthy Environment
- Fire Safety in the Home
- Focus on the Family Day Carer

Other courses provided are:

- First Aid (A further £10 but claimable back from a charitable trust)
- HIV (£10 from Health Promotion)
- Food Hygiene – not compulsory but likely to be in the future

Scotland

14. Childminders were understood to pay £28 for initial registration and £17 for annually required re-registration.
15. Childcare centres were understood typically to pay (dependent on size of the business) £220 for initial registration and £165 for annually required re-registration.

Isle of Man

16. Childminders were understood to pay £25 for initial registration with no requirement to renew annually.
17. Childcare centres were understood to pay £50 for initial registration with no requirement to renew annually.

Wales

18. There were no charges.

England

19. In England, both the size of the regulatory authority and the number of businesses are of course much larger, enabling economies of scale to be achieved and, therefore, relatively inexpensive charges to be levied.
20. Childminders were understood to pay £20 for initial registration and £15 for annually required re-registration. (However, it is understood that there are proposals that this should be reviewed and it is quite possible that a significant increase may be considered.)
21. Nurseries were understood to pay £155 for initial registration and £125 for annually required re-registration.
22. Nannies and au pairs are also required to be registered in England and they were understood to pay in the region of £100 (plus a subsequent annual re-registration fee, which varies from year to year).
23. In return for these fees, registered people were understood to receive free training on Child Protection and Airborne Diseases as part of their registration.
24. It should be noted, however, that, in the UK, registration fees can include set-up costs for the childminder/business and costs for training, which is not provided for by the Guernsey Early Years Service. For example, the regulatory authority may assist businesses by providing equipment such as fire blankets, safety gates, car seats for babies and such items.
25. In the UK, childminders and nurseries are regulated by Ofsted, the education system regulatory authority.

Proposed charges

26. Faced with widely varying comparative figures, when it comes to designing a set of charges for Guernsey, there is no “right” or “wrong” answer as to what the charges should be.
27. However the Department has based its proposals on a few basic principles:
 - Given that childminding and childcare centres are services provided by the private sector as commercial enterprises (albeit subject to the following considerations), there is a principle that there should be a charge of some sort.

- As with the UK, child protection training should be provided free of charge; this is presently the case, and it is proposed this would remain the case.
 - The charges should, of course, be **reasonable**. In this regard, the Department does not believe that any business should have any difficulty raising the figures proposed herein. Obviously, the costs will be passed on to the customers and the Department would not wish to put any service out of business. That would be to the detriment of childcare in Guernsey.
 - The Department does not feel it is necessary for the income raised to be high enough to cover the running costs of the Early Years Service. However, it should be sufficiently high at least to justify raising such charges and should at least make a significant contribution to the costs. The Department suggests that it should at least cover the non-staff costs (which are identified more clearly below) of the service.
 - As will be seen from the above, most jurisdictions that charge have flat rates. While some of the above regimes do, in part, take into account business size, we do not presently know of any system where the charge framework is designed around the size of the business. The Department believes, however, that small businesses should not be made to subsidise large businesses and that it would be expedient to introduce bands of charge dependent on size of business.
28. However the following needs to be borne in mind. Childminders and childcare centres provide a valuable service to the island. A recent Education Department survey recently estimated that virtually all children starting school (at the start of the 2008-9 academic year) had attended such a centre or service. It is also anecdotally believed that many local nursery businesses are not necessarily making large profits. In particular, pre-schools operate out of church halls and have to pay rent. (However, obviously the Department cannot speak from any detailed knowledge of the accounting positions of the various local businesses).
29. Based on the above principles, the Department proposes that the following fee system be introduced:
- Childminders to pay initial registration fee of £50 and re-registration fees of £50.
 - Nurseries to pay initial registration fee and re-registration fees of:

Up to ten children:	£200
11-20 children:	£250
21-40 children:	£300
41-60 children:	£350

61-80 children:	£400
81 or more children:	£450

- Pre-schools and crèches to pay initial registration fee and re-registration fees of:

Up to ten children:	£100
11-20 children:	£150
21-40 children:	£200
41-60 children:	£250
61-80 children:	£300
81 or more children:	£350

- In all cases re-registration is to be required every two years.

30. It is acknowledged that the **general** effect of these figures is to make Guernsey's charging regime as a whole higher than the comparative figures from other jurisdictions, particularly for larger businesses. However it is dependent on how the figures are viewed. From some angles (for example, the requirement to re-register only once every **two** years) some of the proposals are less onerous than some aspects of the comparative jurisdictions' regimes.

Organisations with charitable status

31. It is proposed that organisations funded solely by charitable means, and where the recipients of the benefit or service are wholly subsidised by those charitable funds, be exempted from the requirement to pay fees.
32. Part-subsidised places, although encouraged, must, at the end of the day, be regarded as a commercial business choice for the business.

Arrangements for introduction of fees regime

33. The care home registration fees were phased in over a period of three years, building up from 50% of their full levels in the first year of operation, to 75% in the second year of operation to 100% in the third year.
34. It is not, however, proposed that any similar system be operated in relation to the Early Years Service registration charges. The amounts are smaller and while it is always desirable to allow businesses sufficient time to plan effectively in managing their finances, the impact of the figures proposed herein is not of the same nature as for care homes.
35. The figures proposed in this report are stated in current terms but the Department would propose to apply an increase to the aforementioned figures to match any increase in RPI between now and the time when it is possible to bring the proposals into force.

Future increases of fees

36. The Department would propose to review and, if appropriate, increase fees in the future by Order. The Department would carry out such reviews not more than annually, and would envisage that the charges are regularly reviewed taking into account the costs of the service.

EVALUATION AGAINST THE CRITERIA REQUIRED BY THE STATES RESOLUTION OF 31 JANUARY 2007

37. In accordance with the States Resolution of 31 January 2007 that fees and charges, including proposals to introduce new charges, should be evaluated against certain criteria recommended by the Treasury and Resources Department at that time, the Department has carried out such evaluation and the conclusions are also set out below, except where they have already been set out above.

How much can be raised?

38. Theoretically, introducing the above charges would result in a first year figure in the region of £15,000, based on existing numbers of nurseries, pre-schools, crèches and childminders registered with the Department and typical annual turnovers of new registrations.

How much will administering, policing and processing the collection of the income cost?

39. The Department has recently introduced similar charges in relation to fees for registering and regulating care homes and the work involved has primarily comprised a simple annual invoice run, the ongoing pursuance of which has simply been absorbed into the Finance Department's normal debt procedures. The impact on workload has been minimal.
40. The Department sees no reason why the same should not be the case in relation to these proposals. Although these costs cannot be quantified, they are minimal – something in the region of a few hours' work – which will be outweighed by the resultant income.

What is the cost of providing the service?

41. Subject to the following paragraph, the gross annual cost of running the Early Years Service is estimated to be in the region of £75,000, based on 2008 figures for staff and general administration costs.
42. However, the service is split between its registration/inspection function on the one hand and, on the other, general public advice and assistance – i.e. dealing with queries and dealing with specific problem areas. It is not intended that the recovered costs should cover the second of these areas as these services are public services and it would be unfair to make childminders and childcare

centres pay for them. It is impossible to provide an exact breakdown in this regard, although it is likely that the registration/inspection function represents the larger proportion of staff time. An estimate for the registration/inspection function might be in the region of, and would not be less than, £40,000. The public advisory function costs and the majority of the registration/inspection function costs will, therefore, remain funded by general revenue, rather than by the income to be raised by these proposals.

43. The £75,000 figure referred to above does not include indirect costs, such as building maintenance/running costs for the offices within which the Early Years staff are housed, nor does it include provision for senior management time spent on Early Years issues. However, some of these costs would be incurred whether or not a registration and inspection service was provided.
44. These figures do not include possible costs which may be incurred in any future increase of the service, which may be the subject of future debate. At that time it would be necessary to review the charges framework in the light of changes to the Early Years Service.

What will be the costs and impact on the customer?

45. The costs are as detailed above. The cost to a typical centre registered for, for example, 25 children, will be only £100 per year or £33 per term, theoretically spread across many children.
46. As for impact on customers, we believe these figures are reasonable and should not significantly affect the viability of the businesses or the ability of the customers to afford the services.
47. Inevitably, it is likely that the service providers will have to pass these costs on to their customers, as their profit margins may not enable them to absorb these charges and maintain their existing prices.
48. While the Department appreciates that members of the public who pay for childminding and/or childcare centre services obviously may well see an increase in costs as a result of the introduction of these charges, nonetheless the Department believes that childminders and childcare centres will have a sufficiently high quantity of customers to be able to spread the charges out sufficiently widely across their customer bases to ensure that the increase borne by each individual customer should be relatively modest, although it is impossible to quantify the amount in each individual case. On the example given above, if a pre-school or crèche registered for and taking 25 children, it would work out at £4 per child per annum.

Can the customer realistically afford to pay?

49. This question is principally addressed within the above paragraph, although the Department does not have any firm evidence as to the income brackets of users of childminders and childcare centre services.

Does the fee or charge already exist?

50. The answer to this question is that such charges do not presently exist.

Does the fee or charge exist in other comparable jurisdictions?

51. It will be seen from the above that the fees do exist in other comparable jurisdictions and, although direct comparisons are difficult, are at similar rates.

How easy would it be to implement, including legislative requirements?

52. The Department believes that the implementation requirements, including drafting of legislation, would be minimal.

How often would the amounts charged require revision?

53. As intimated above, the Department would not propose to review the amounts at frequent intervals, but would have the discretion to do so at any time if circumstances (e.g. change in inflation rates) necessitated it.

What, if any, is the impact on local inflation?

54. Economic analysis is not within the Department's area of expertise, but the Department would comment that the amounts per annum are relatively small. Of some (indirect) relevance to this question are the Commerce and Employment Department's views (cited below) that these proposals are certainly unlikely to have any detrimental effect even on the operation of the child care business "sector".

Does the fee or charge support or restrict the agreed economic strategy?

55. These proposals are consistent with, and build further upon, the States of Guernsey's decision in July 2006 to introduce charges for care homes registration, at which stage the States of Guernsey noted the Department's intentions that this area should next be examined.

CONSULTATION

56. The Department consulted all of the local pre-schools, nurseries and childminders as well as the Treasury and Resources Department, Social Security Department, Education Department and Commerce and Employment Department.

Responses from childminders and care centres

57. A relatively small proportion of affected parties made any comments at all:

- 8 out of 24 pre-schools wrote in;
- 1 nursery/private school out of 6 nurseries wrote in;
- 2 out of 130 childminders wrote in.

58. Of these, some of the recurring comments were as follows (with the Department's response included):

- Some consultees felt that costs may be passed on to parents who may find it difficult to pay. Indeed, some consultees expressed the view that the charges seemed to be a stealth tax, which would discourage parents from returning to work.

The Department has considered this comment carefully. Firstly, the Department considers that figures in the order of £33 per term (for many centres), theoretically spread across many children, should surely not make any significant difference to parents.

Secondly, dealing with the "stealth tax" comment, the Department does not wish to dis-incentivise people from working, but it does need to raise fees, and believes that this should be based on the "user pays" principle. The Department understands a "stealth tax" to mean a term used for a tax levied in such a way that is largely unnoticed, or not recognised as a tax. The Department also perceives the proposed fee not so much as a "tax" but as something very much akin to a licensing system, whereby those seeking to operate commercially in the child care sector will face a choice of whether to pay the fee in return for the registration status required by law in order for them to operate. This ultimately means the service will be funded by those who benefit from it rather than by taxpayers' money. Furthermore, addressing the "stealth" aspect, the Department is being open and transparent in pursuing these proposals, which is why this report has been prepared.

- One comment was received that basing the charges on the number of children registered could arguably be unfair and that number of attendees would be fairer as it might better reflect ability to pay. However, such a system of assessment they propose would be extremely cumbersome to operate administratively and the fees would have to be much higher in order to pay for the additional bureaucracy. It is, of course, always open to a childcare centre to re-register with a lower number, at which point the fee could be reviewed.
- Some consultees would have preferred a different charging system, whereby annual (instead of two-yearly) charges were paid and the re-registration fee would be less than the initial registration fee. The problem here is that an annual charging system would involve more

administration work. A less regular system is consistent with, for example, driving licence fee collection.

- Finally, a question was raised as to whether there would be any improvements to the Early Years Service resulting from the income, or any benefit to businesses. The answer is that the Early Years Service is continually improving. In the last few years, the Department has introduced a number of new initiatives (including annual quality questionnaires, ongoing review of existing standards, which has recently been the subject of consultation, and development of an open/transparent sharing information policy, including routine issuing of full written reports), at no extra cost, and will continue to do so. There are no obvious ways of reducing the service at the moment (indeed future legislation will increase the workload of the service) but, obviously, the Department always looks for opportunities to minimise costs where possible, providing this does not compromise fundamental quality of service.

59. The Department has consulted widely, and there have been conflicting pressures in both directions about the levels of the fees. However, the Department has been influenced by the feedback received from childcare providers, and, accordingly, has adopted the aim of endeavouring to keep the fees as moderate as reasonably practicable.

Responses from States Departments

60. The Treasury and Resources Department made no comment.
61. The Social Security Department made no comment.
62. The Education Department indicated that it was difficult to comment fully in advance of consulting on its own future proposals relating to pre-school education, but that the fee proposals may have marginal cost implications (i.e. for any pre-school education proposals).
63. The Commerce and Employment Department gave its broad support to the proposals, indicating, in its letter of response dated 16 January 2009, that it recognised that *“accessibility to quality childcare that attains certain standards is one of the factors that influences a decision to place a child in the care of another adult, and this is usually done to enable a parent to undertake employment”*.
64. The Commerce and Employment Department also indicated that it would have a direct interest in whether the implementation of fees would deter service users or, alternatively, deter businesses. However, the Department concluded that, given the modest level of charges currently proposed, it was highly unlikely that there would be an effect on behaviour in either case, and thus there should be no change in the availability and take up of childcare provision.

RECOMMENDATIONS

65. The Health and Social Services Department recommends the States:

- i) to approve the Department's proposals that charges should be made to the providers of childminder and childcare services as proposed in this report; and
- ii) to direct the preparation of the necessary legislation.

Yours faithfully

A H Adam
Minister

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

(NB The Treasury and Resources Department supports the proposals.)

The States are asked to decide:-

IX.- Whether, after consideration of the Report dated 25th March, 2010, of the Health and Social Services Department, they are of the opinion:-

- 1. To approve the Department's proposals that charges should be made to the providers of childminder and childcare services as proposed in that Report.
- 2. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

COMMERCE AND EMPLOYMENT DEPARTMENT

AMENDMENT TO THE CONDITIONS OF EMPLOYMENT (GUERNSEY) LAW, 1985 (AS AMENDED), TO ENSURE THAT THERE IS NO CONFLICT WITH THE REQUIREMENTS OF THE SEX DISCRIMINATION (EMPLOYMENT) (GUERNSEY) ORDINANCE, 2005

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

26th March 2010

Dear Sir

1. Executive Summary

- 1.1 Following amendment in 1992, the current position is that *The Conditions of Employment (Guernsey) Law, 1985* does not require employees working less than 15 hours per week to receive a written statement of Terms and Conditions.
- 1.2 As more women than men currently work less than 15 hours per week, more women than men could be excluded from the right to have a written statement of their terms and conditions of employment. This would constitute “indirect discrimination”, which *The Sex Discrimination (Employment) (Guernsey) Ordinance, 2005* protects against. This legislation does not allow ... *a provision, criterion or practice which applies equally to men but that would be to the detriment of a considerably larger proportion of women than men....*
- 1.3 The Law Officers Chambers have advised that there is a tension between the 15 hour exemption in the Conditions of Employment Law and the indirect discrimination provisions of the Sex Discrimination Ordinance.
- 1.4 To correct this, the States are asked to approve a recommendation to amend *The Conditions of Employment (Guernsey) Law, 1985 (as amended)* removing the 15 hour per week exclusion.

2. Introduction

- 2.1 *The Conditions of Employment (Guernsey) Law, 1985* provides employees in Guernsey with the right to a written statement of their main Terms and Conditions of Employment (in effect this will be a synopsis of their Contract of Employment) and the right to a Statement of Pay (a “pay slip”).

- 2.2 When the Law was introduced in 1985, employees were excluded from the right to receive a written statement of Terms and Conditions by section 3 of the Law if they were employed for less than 21 hours per week. *The Conditions of Employment (Amendment) (Guernsey) Law, 1992* amended the 1985 Law to exclude employees working less than 15 hours per week. This is the current position.
- 2.3 In March 2006, *The Sex Discrimination (Employment) (Guernsey) Ordinance, 2005* was introduced. This Ordinance protects against discrimination in the employment field on the grounds of gender and also makes unlawful applying a provision, criterion or practice which applies equally to men, but that would be to the detriment of a considerably larger proportion of women than men (Termed “indirect discrimination”).
- 2.4 It is generally accepted that, at the current time, more women than men work less than 15 hours per week. As a result, more women than men are excluded from the right to have a written statement of their terms and conditions of employment. In effect, this leaves many women without any written details or confirmation of their main terms and conditions of employment.
- 2.5 In the view of Law Officers Chambers, this results in there being a tension between the 15 hour exemption in the Conditions of Employment Law and the indirect discrimination provisions of the Sex Discrimination Ordinance.

3. Findings

- 3.1 Any employee working less than 15 hours a week has no right under the Conditions of Employment Law to see what their principal terms and conditions of employment are in writing. This lack of information may prevent a female employee from being able to pursue a claim under the Sex Discrimination Ordinance that she is being discriminated against. This may be perceived as a further detriment to her; however, it is a situation which at the present time the law of Guernsey sanctions.
- 3.2 The Conditions of Employment Law requires the rate of pay to be recorded in writing as well as the “normal working hours.” This information will be required in determining whether or not a person is being paid the Statutory Minimum Wage and having this information available for all workers will assist both employees and officers of Commerce and Employment, the Employment and Discrimination Tribunal or the Civil Courts, in determining whether or not the minimum wage has been paid.
- 3.3 The experience of the Employment Relations Service (ERS) is that many employers recognise the value of confirming the employment relationship in writing. This allows employers to set standards and requirements for many aspects of the employment relationship, ultimately helping them to manage their

staff and business effectively, and already issue written statements to all employees regardless of the number of hours worked. Therefore the impact of the recommended amendment for most employers will be non-existent.

- 3.4 The UK has similar legislation governing provision of a written statement of terms and conditions of employment (*Employment Rights Act 1996 Part1*). There is no minimum requirement within that Act for a set number of hours to be worked before being entitled to be provided with a written statement.
- 3.5 In the light of the concerns described above, and the advice of Law Officers Chambers, the Department believes that the existing provision, in *The Conditions of Employment (Guernsey) Law, 1985*, establishing a qualifying threshold of 15 hours work per week before employees have a right to a written statement of terms and conditions is in conflict with the principle objectives of *The Sex Discrimination (Employment) (Guernsey) Ordinance, 2005* and should be amended, reducing the threshold to 0 (zero).

4. Consultation

- 4.1 The Department has consulted with the Law Officers Chambers.

5. Recommendation

- 5.1 The Commerce and Employment Department recommends the States to:-
- (a) approve that section 3 of the Conditions of Employment (Guernsey) Law, 1985, shall be amended to reduce to 0 (zero) the 15 hour work per week exclusion on the right of employees to a written statement of terms and conditions.
 - (b) direct the preparation of the necessary legislation to give effect to this proposal.

Yours faithfully

C S McNulty Bauer
Minister

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

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

The States are asked to decide:-

X.- Whether, after consideration of the Report dated 26th March, 2010 of the Commerce and Employment Department, they are of the opinion:-

1. To approve that section 3 of the Conditions of Employment (Guernsey) Law, 1985, shall be amended to reduce to 0 (zero) the 15 hour work per week exclusion on the right of employees to a written statement of terms and conditions.
2. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

COMMERCE AND EMPLOYMENT DEPARTMENT

STATUTORY MINIMUM WAGE – RATES AND COMMENCEMENT

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

26th March 2010

Dear Sir

1. Executive Summary

- 1.1 In accordance with section 1(3) and 3(1) of The Minimum Wage (Guernsey) Law, 2009, the States is requested to approve the Minimum Wage Rates recommended by the Commerce and Employment Department and contained in the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) Regulations, 2010, which are appended.
- 1.2 The Department proposes:
 - An adult Minimum Wage Rate of £6.00 per hour (For workers aged 19 and over).
 - A Young Person's Minimum Wage Rate of £4.25 per hour (For workers from the age of 16, up to and including age 18).
 - That 1st October 2010 shall be the date for implementation of the Commencement Order and the Regulations to give effect to the Law.

2. Background

- 2.1 The States of Guernsey debated the Department's States Report on minimum wage legislation in October 2007, approving the preparation of legislation to give effect to the States Resolutions.
- 2.2 The States of Guernsey approved the Minimum Wage (Guernsey) Law, 2009 (The Law) on the 25th of March 2009.
- 2.3 The Law received Royal Assent on 10th February 2010 and was subsequently registered in the Royal Court on 1st March 2010.
- 2.4 Section 31 (3) of the Minimum Wage (Guernsey) Law, 2009 requires the States, on recommendation from the Commerce and Employment Department (the

Department), to approve Regulations, which set the hourly Minimum Wage Rates, prior to them coming into effect.

- 2.5 Section 5 of the Law requires the Department to carry out a public consultation and prior to making regulations setting Minimum Wage Rates. This was done in July and August 2009.
- 2.6 The 2007 States Report identified that the Minimum Wage was not intended to reflect a 'living wage', as there are a number of social policy initiatives administered by the States through Social Security, Housing, and Income Tax, which provide a wide range of benefits, grants, social housing, housing rent rebates, and tax breaks to help those with a 'low income'.
- 2.7 The 2007 States' decision to implement a minimum wage, established the fundamental principle that it is unacceptable in the current social and economic climate in Guernsey for employees and workers to be paid low wages to the point of exploitation.

3. Considerations Leading to the Setting of a Minimum Wage Rate

- 3.1 The Minimum Wage Law requires the Department to consider and take into account the following criteria before making Regulations setting the minimum wage rates –

- (a) The current rate of minimum wage in the United Kingdom, the Isle of Man and Jersey,
- (b) The current economic and trading conditions prevailing in Guernsey,
- (c) The rate of inflation in Guernsey,
- (d) The rate of unemployment in Guernsey,
- (e) Current rates of pay in Guernsey,
- (f) The increase or decrease in rates of pay in Guernsey over the previous twelve months, and
- (g) Such other factors as appear to the Department to be relevant.

- 3.2 A summary of the findings and views of the Department are set out in the following sections:-

- a. The current rate of minimum wage in the United Kingdom, the Isle of Man, and Jersey

The current minimum wage rates in the UK, the Isle of Man and Jersey are detailed below:

Table 1 - Current Minimum Wage Rates – UK, Jersey, and Isle of Man

Minimum Wage (Hourly) Rates 2009			
	Young Persons Rate	Adult Rate	Dates effective from
UK	£3.57 (aged 16 to 17) £4.83 (aged 18 to 21)	£5.80 (aged 22 and over)	1 st October 2009
IOM	£4.67 (aged 16) £5.24 (aged 17)	£5.60 (aged 18 and over)	1 st October 2008
Jersey	Does not apply However Trainee Rate - £4.56 (for a maximum period of one year for new employees on training)	£6.08 (above compulsory school age, 16) (£6.20 from 1st April 2010)	1 st April 2009

From the results of the consultation, and from the general feedback from the public, there seems to be an expectation that the minimum wage rates will be broadly similar to the rates in the UK, Jersey and the Isle of Man.

The rates being proposed by Commerce and Employment fall within the range of rates in the UK, Jersey and the Isle of Man.

b. The current economic and trading conditions prevailing in Guernsey

Whilst the unemployment rates in Guernsey increased during 2008 and 2009, the overall level of unemployment remains low. The Commerce and Employment Department does not consider that the introduction of a minimum wage rate of £4.25 per hour for Young Persons and £ 6.00 per hour for those over 18 will have a significant impact on levels of employment. It may encourage some unemployed people to be more active in seeking and securing work in the more traditional low paid industries if wage levels are improved.

The Commerce and Employment Department does not believe that the current economic and trading conditions prevailing in Guernsey will be significantly affected by the introduction of the statutory minimum wage rates at the level proposed in this report.

c. The rate of inflation in Guernsey

The rate of inflation has little or no relevance when setting the initial minimum wage rates, but will be more important in the future, as a positive inflation figure could be a significant factor in future wage settlements in the private and public sector of the Guernsey economy.

d. The rate of unemployment in Guernsey

Levels of unemployment in Guernsey have risen slightly during 2009; the level at the end of December remaining relatively low, with 423 people unemployed. This equates to approximately 1.31% of the working population.

Although some of the contributors to the consultation expressed views that a minimum wage would increase levels of unemployment, this view must be balanced against the incentive to replace some guest workers on relatively low wages, with local labour being paid the minimum wage. The minimum wage is likely to encourage some unemployed people back to work, particularly in industries which have become known as being traditionally low paid.

The Commerce and Employment Department supports initiatives to encourage local unemployed labour back to work and sees the introduction of realistic minimum wage rates as part of this employment and social policy initiative.

e. Current rates of pay in Guernsey

Currently the States of Guernsey does not collect, centrally, job related pay data in order to establish market rates for specific jobs.

The minimum wage consultation process was used to collect information on pay rates from employers in traditionally low paid industries such as horticulture, retail, fulfilment, hospitality, and the care industry where the introduction of a statutory minimum wage might have most impact.

See Table 2.

Table 2 - Rates of pay collated from the Minimum Wage Consultation Papers

Equivalent Hourly Rate (Gross-before deductions for Tax & Social Security Contributions) Based on a 40 Hour Week			
Job Title/Description	Adult Rate Age 19+	Young Persons Rate Aged 16-18	Public or Private Sector
Kitchen Porter	£3.50 - £6.05		Private
	£8.24 - £8.55	£5.35 - £7.41	Public
Agriculture Worker/Gardener	£4.25 - £5.90		Private
	£8.88 - £9.21	£5.77 - £7.99	Public
Fulfilment Packer (Mail order)	£5.00		Private
Cleaner	£5.00 - £8.08	£6.00	Private
	£8.24 - £8.55	£5.35 - £7.41	Public
Chambermaid	£4.16 - £4.90		Private

Waiter/Waitress	£4.44 - £6.23		Private
Plated Meals Assistant	£8.24 - £8.55	£5.35 - £7.41	Public
Bar Person	£5.50 - £6.41		
Chef/Cook	£5.50 - £7.77		Private
	£9.74 - £10.11	£6.33 - £8.77	Public
Care Assistant	£7.77 - £8.08	£5.43	Private
	£9.74 - £10.11	£6.33 - £8.77	Public
Retail Assistant	£7.50	£5.75 - £5.79	
Trainee Chef	£2.50	£2.50	Private

Note: Public sector pay information presented in the table above for comparison, was collected from the Public Service Employees Pay Scales 2009.

The Social Security Department's Job Centre was also a useful resource in determining advertised wage rates in some industries. See Table 3 below. This pay data was drawn from job advertisements placed recently (October 2009) at the Social Security Job Centre by employers seeking staff. The hourly rates recorded are within a 'range' from lowest to highest for each job description advertised.

Table 3 -Rates of pay collated from Job Centre advertisements

Job Title/Description	Pay Range (NB No Age Specified)
Kitchen Porter	£4.00 - £6.20
Agriculture Worker/Gardener	£4.25 - £8.50
Cleaner	£7.00 - £7.50
Receptionist	£5.50 - £6.00
Waiter/Waitress	£5.55 - £6.50
Bar Person	£5.00 - £7.00
Chef/Cook	£5.88 - £8.00
Care Assistant	£7.00 - £8.50
Retail Assistant	£7.22 - £8.00

If the States approve the minimum wage rates regulations proposed in this Report, adult workers being paid under £6.00 per hour will have their pay increased. Young Persons will be guaranteed a minimum of £4.25 per hour. The combined effect of the minimum wage rates will help eliminate the worst forms of financial exploitation relating to the lower paid, particularly kitchen porters, chambermaids etc, as demonstrated above.

- f. The increase or decrease in rates of pay in Guernsey over the previous twelve months

The increase or decrease in rates of pay in Guernsey over the previous twelve months is not particularly relevant when setting the initial rates as the data represents a snapshot of current wage rates. It will, however, be more relevant when making comparisons in future years to establish

whether there is a need to adjust the minimum wage rates to take account of changing economic circumstances.

g. Such other factors as appear to the Department to be relevant

The Department also considered ... “such other factors as appear to the Department to be relevant” prior to determining the minimum wage rates being recommended to the States in these Reports. The following were identified as relevant when considering the statutory minimum wage rates:-

- Public and political expectations
- Creating a level playing field for employers recruiting staff from off-island in competition with the UK, Jersey and the Isle of Man
- The local economy and the current job market
- Setting a minimum wage rate that does not undermine or compromise the current pay rates, already assessed and being paid under the CEPS Scheme (the return to work initiative provided by the Social Security Department)
- Whether the ‘repatriation value’, in their home country, of wages paid in Guernsey to guest workers, is a significant, relevant or justifiable factor in determining a minimum wage rate for Guernsey
- The risk to financially vulnerable businesses and the contribution they make to the economy, the employment of local labour, and their overall economic contribution to the Island
- Considering the effects of minimum wage rates where accommodation (or accommodation and food) is provided by the employer

Commerce and Employment gave consideration to all the points listed above in arriving at their decision to recommend to the States the minimum wage rates in the Regulation proposed in this Report.

3.3 The Department’s findings and views on the other relevant factors are summarised below:-

Public and political expectations

There is a political and public expectation that a minimum wage set at a reasonable and realistic rate is required. The States has already approved the introduction of a minimum wage that ‘eliminates the worst cases of financial exploitation in employment’.

Creating a level playing field for employers recruiting staff from off-island in competition with the UK, Jersey and the Isle of Man

As many industries in Guernsey rely on seasonal workers from outside the Island, it could be difficult to recruit staff against a minimum wage that is significantly lower than UK, Jersey, or the Isle of Man. Those employees are likely to seek work in the jurisdiction that pays the most.

The Department believes that the minimum wage rates recommended in this report, strike a balance between setting wage rates that are affordable to most employers operating in Guernsey, yet puts them in a position where they are not disadvantaged by the perception that a low minimum wage rate might give to potential employees. That is that Guernsey “pays low wages”.

In addition, the recommended rates will dispense with the perception that Guernsey has a two tier economic workforce, one for local labour and one for guest workers, thereby removing perceived or actual discrimination.

The local economy and the current job market

In recent months business representatives and analysts have commented that the local economy has fared relatively well in the current economic climate. Although some businesses have found it difficult at times, there is little evidence to suggest that the recommended minimum wage rates will have a significant impact on local business particularly as there appears to be a slight improvement in the economy towards the end of 2009 and further improvements forecast for 2010.

Although unemployment has shown a slight increase during 2009, prospects look good for the future and a significant number of jobs continue to be advertised in the local papers and at the Job Centre. The introduction of the minimum wage should encourage some of those unemployed back into work, providing the minimum wage rate is considered reasonable within the context of other pay rates within the Guernsey economy.

The Department was particularly concerned that the minimum wage should not be set too high and thus place too great a burden on the traditional low paid areas of employment. However, neither did it wish to see Guernsey labelled as a jurisdiction that financially exploits the resident or guest workers by maintaining low levels of pay in a relatively affluent society.

Setting a minimum wage rate that does not undermine or compromise the current pay rates, already assessed and being paid under the CEPS Scheme (the return to work initiative provided by the Social Security Department).

The Social Security Department (SSD) was particularly helpful in providing an analysis of how the minimum wage rates might impact on the CEPS scheme, which provides opportunities for helping unemployed people back to work and off benefit.

Under the CEPS scheme, SSD has already assessed and determined hourly rates of pay to be paid to the unemployed who are integrated into an employer's business with a view to helping them back into full time employment. These rates are currently set at £4.77 per hour for under 18 and £6.49 per hour for 18 and over. CEPS rates have been established since September 2003 and SSD confirmed that the work undertaken for this level of pay could be described as "typical minimum wage work".

Having considered the comments from the Social Security Department, The Commerce and Employment Department recognises that many employers already pay more than the rates recommended in this report and the overall objective of the minimum wage is to set 'minimum' wage rates below which no employee in Guernsey should fall.

The Department has made a judgement that the recommended rates in this Report create a platform for minimum wage rates, which is not over-ambitious and can be reassessed and amended in future years.

Whether the 'repatriation value' in their home country, of wages paid in Guernsey to guest workers, is a significant, relevant, or justifiable factor in determining a minimum wage rate for Guernsey

A number of employers, mainly in horticulture and hospitality, expressed strong views on the 'repatriation value' of wages as justification for paying 'guest workers' low wages (often within a range of £4.25 - £5.00 per hour) and the Department was asked to take this into consideration when determining minimum wage rates.

The argument used to support the low wages is simply that guest workers, many of whom originate from Eastern Europe, appreciate the fact that the money they earn in Guernsey can be worth significantly more in their home country. As a result, it is said, they are content to work for low wages, often working long hours at the same basic rate of pay, to ensure they can earn as much money as possible to take home, where it buys significantly more as the cost of living is often lower.

The Department is firmly of the view that the minimum wage legislation is a means of preventing the exploitation of workers on low pay within the context of the Guernsey community as a whole. If the expectation of guest workers who are working in the Guernsey community is to be used as the basis for setting the Guernsey national minimum wage, then the objectives are seriously undermined.

The Department concluded that the minimum wage rates must be set at a level that serves all those working within the social and economic climate of Guernsey.

The risk to financially vulnerable businesses and the contribution they make to the economy, the employment of local labour, and their overall economic contribution to the Island;

The Department gave consideration to the financial vulnerability of businesses being required to increase pay rate to at least match the statutory minimum wage and the contribution those businesses make to the economy, the employment of local labour, and their overall economic contribution to the Island.

The Department concluded that the extra costs to businesses from having to pay staff a higher wage (the minimum wage), is no different to a business having to cope with and manage any other significant increases in costs e.g. fuel, rent, insurance, equipment, and general supplies.

The Department is confident that the majority of businesses will be able to adapt to the introduction of the statutory minimum wage, as they would adapt to any other increase in cost to their business.

Considering the effects of minimum wage rates where accommodation (or accommodation and food) is provided by the employer

The consultation process revealed that a number of employers paid lower wages because they provide accommodation and in some cases accommodation and food at a subsidised rate, or free of charge. This is a valid point for consideration.

The consultation paper specifically requested that employers and employees provide information on how much was charged for accommodation and food, or if a charge was not levied, how much they thought the accommodation and food was worth in cash equivalent terms.

Most employers could not specify the true value of the accommodation or food they provide as part of the employment package. Employees were also unsure of the true value of the accommodation and food where it was included without charge.

Taking into account the available information and recognising the need to provide for a fair and reasonable valuation of food and accommodation and to prevent exploitation by setting a maximum value that could be offset against wages, the Department decided to apply by Regulation:-

- a £60 per week accommodation only ‘offset’ and
- a £85 per week offset for accommodation and food.

(Note: Regulations setting accommodation and accommodation and food offsets do not require prior approval by resolution of the States).

These arrangements allow employers to charge for accommodation and food at any value they like, but will ensure that, only the maximum 'offset' figure will be allowed to be offset in minimum wage calculations. Equally, where accommodation or accommodation and food are provided free of charge, employers will be able to apportion a figure only up to the maximum offset allowance towards the minimum wage calculation.

The Department believes that this arrangement (which is similar to that which applies in the UK, Jersey and the Isle of Man) will enable employers to offset a defined statutory 'value' for accommodation and food in respect of the establishing whether or not they have paid the minimum wage.

4. Commencement Date

- 4.1 By bringing this report to the States for debate and approval at this early stage, the Department hopes that this will provide the opportunity for employees and employers to prepare and plan for the implementation of a statutory minimum wage on 1st October 2010, should the States agree to the proposals.

5. Conclusion

- 5.1 The Department considers that the proposals accommodate the bulk of the consultation responses and its analysis of the various factors that can have an influence of the setting of minimum wage rates. The rates are in accord with the 2007 States' decision to establish rates that would aim to eliminate from Guernsey the worse cases of financial exploitation caused by low wages and be in line with rates elsewhere in the UK and the Crown Dependencies. The Department therefore proposes that rates should, in 2010, be set from the 1st October 2010 as follows:-

Adult rate - £6 per hour

Young Persons Rate - £4.25 per hour

Accommodation only maximum offset - £60 per week

Accommodation and Food maximum Offset - £85 per week

6. Consultation and Future Reviews

- 6.1 Between July and August 2009, the Department carried out a public consultation on minimum wage rates. A total of 424 consultation papers were sent out to targeted groups including, hospitality, care and residential homes, agriculture and horticulture, trade unions and staff associations, groups representative of employers in Guernsey. In addition, States Departments and individual States members were also circulated with consultation papers and invited to comment.

- 6.2 Members of the public were also invited to contribute as individuals through the Commerce and Employment (Employment Relations) website, media releases and media interviews conducted by the Minister, Commerce and Employment Department.
- 6.3 Posters and information advertising the public consultation were placed in strategic locations in the Island including the Douzaine Roomes, Guille-Alles Library, States Departments including, Social Security, Income Tax, Housing and the main reception of Sir Charles Frossard House.
- 6.4 St James Chambers as consulted on the preparation of this report and the association regulation.
- 6.5 In future years, if the Department decides to make further Regulations in relation to the minimum wage rates, the Department is required to carry out a public consultation, prior to making recommendations for approval of any new Regulations by the States.

7. Recommendations

- 7.1 The Department recommends that the States:
 - (a) Approves the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) Regulations 2010 that set the following statutory minimum wage rates:
 - Adult Minimum Wage Rate at £6.00 per hour (For workers aged 19 and over).
 - Young Person's Minimum Wage Rate at £4.25 per hour (For workers from the age of 16, up to and including age 18).
 - (b) Approves that 1st October 2010 shall be the date for implementation of the Commencement Order and the Regulations to give effect to the Law.
 - (c) Directs the preparation of the necessary legislation to give effect to these proposals.

Yours faithfully

C S McNulty Bauer
Minister

GUERNSEY STATUTORY INSTRUMENT2010 No.26

**The Minimum Wage (Prescribed Rates and Qualifications)
(Guernsey) Regulations, 2010**

*Made**26th March, 2010**Coming into operation**1st October, 2010**Approved by resolution of the States**26th May, 2010*

THE COMMERCE AND EMPLOYMENT DEPARTMENT, in exercise of the powers conferred on it by sections 1(3), 3(1) and (2), and 4 of the Minimum Wage (Guernsey) Law, 2009¹ and all other powers enabling it in that behalf, hereby makes the following Regulations:-

Minimum wage.

1. (1) For the purposes of section 1(3) of the Law, the minimum wage is the rate specified as the Adult Minimum Wage Rate in the Schedule.

(2) Subject to regulation 3(1), a person qualifies for the minimum wage referred to in paragraph (1) if –

(a) he is qualified under section 1(2)(a) and (b) of the Law,
and

(b) he is at least 19 years of age.

Young Person's Minimum Wage Rate.

2. (1) The Young Person's Minimum Wage Rate is the rate specified by that name in the Schedule.

¹ Approved by the States of Deliberation on the 25th March, 2009.

(2) Subject to regulation 3(2), a person qualifies for the minimum wage referred to in paragraph (1) if –

- (a) he is qualified under section 1(2)(a), (b), and (c) of the Law, and
- (b) he is under 19 years of age.

Apprentices restricted from qualifying for minimum wage.

3. (1) No apprentice qualifies for the Adult Minimum Wage Rate specified in the Schedule unless he has served a period of 12 months or longer in his current apprenticeship.

(2) No apprentice qualifies for the Young Person's Minimum Wage Rate specified in the Schedule.

(3) For the avoidance of doubt, any period of time a person serves in his apprenticeship –

- (a) whether before or after he reaches the age of 19 years,
- (b) whether before or after these Regulations come into force, and
- (c) whether served continuously or with intervals,

shall be aggregated when calculating the period of apprenticeship served for the purposes of paragraph (1).

Interpretation.

4. (1) In these Regulations –

(a) **"the Law"** means the Minimum Wage (Guernsey) Law, 2009, and

(b) unless the context requires otherwise, references to the Law are references thereto as amended, re-enacted (with or without modification), extended or applied.

(2) The Interpretation (Guernsey) Law, 1948² applies to the interpretation of these Regulations –

(a) in the Islands of Guernsey, Herm, and Jethou, and

(b) as it applies to the interpretation of an enactment.

(3) For the avoidance of doubt, unless the context requires otherwise, an expression used in these Regulations has the same meaning as in the Law.

Citation.

5. These Regulations may be cited as the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) Regulations, 2010.

Commencement.

6. These Regulations come into force on the 1st October, 2010.

Dated this 26th day of March, 2010

Deputy CARLA MCNULTY BAUER

Minister of the Commerce and Employment Department

For and on behalf of the Department

² Ordres en Conseil Vol. XIII, p. 355.

SCHEDULE

MINIMUM WAGE RATES

Regulations 1(1) and 2(1)

Adult Minimum Wage Rate	£6.00 per hour.
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Young Person's Minimum Wage Rate	£4.25 per hour.
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EXPLANATORY NOTE

(This note is not part of the Regulations)

These regulations set the minimum wage rates for adults and young persons at £6.00 per hour and £4.25 per hour respectively. These regulations also set out the age at which workers qualify for each rate.

These regulations exclude apprentices from the Young Person's Minimum Wage Rate. They also restrict apprentices from qualifying for the adult minimum wage rate unless they have served at least 12 months of their current apprenticeship.

Under section 31(3) of the Law, these regulations do not have effect until approved by resolution of the States. Further, they only come into force on the date specified in regulation 6.

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

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

The States are asked to decide:-

XI.- Whether, after consideration of the Report dated 26th March, 2010 of the Commerce and Employment Department, they are of the opinion:-

1. To approve the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) Regulations 2010 that set the following statutory minimum wage rates:
 - Adult Minimum Wage Rate at £6.00 per hour (For workers aged 19 and over).
 - Young Person's Minimum Wage Rate at £4.25 per hour (For workers from the age of 16, up to and including age 18).
2. That 1st October 2010 shall be the date for implementation of the Commencement Order and the Regulations to give effect to the Law.
3. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

ORDINANCE LAID BEFORE THE STATES

**THE CHARITIES AND NON PROFIT ORGANISATIONS
(REGISTRATION) (GUERNSEY) (AMENDMENT) LAW, 2009
(COMMENCEMENT) ORDINANCE, 2010**

In pursuance of the provisions of the proviso to Article 66 (3) of the Reform (Guernsey) Law, 1948, as amended, the Charities and Non Profit Organisations (Registration) (Guernsey) (Amendment) Law, 2009 (Commencement) Ordinance, 2010, made by the Legislation Select Committee on the 12th April, 2010, is laid before the States.

STATUTORY INSTRUMENTS LAID BEFORE THE STATES

**THE TRANSFER OF FUNDS (GUERNSEY)
(AMENDMENT) REGULATIONS, 2010**

In pursuance of Section 16 of the Transfer of Funds (Guernsey) Ordinance, 2007, the Transfer of Funds (Guernsey) (Amendment) Regulations, 2010, made by the Home Department on 26th March, 2010, are laid before the States.

EXPLANATORY NOTE

These Regulations make minor amendments to sections 10 and 11 of the Transfer of Funds (Guernsey) Ordinance, 2007 consequential upon amendments to certain provisions of the Banking Supervision (Bailiwick of Guernsey) Law, 1994 ('the Banking Law') which are applied by section 11 of the Ordinance.

**THE DIGITAL SWITCHOVER (PRESCRIPTION OF INFORMATION)
(GUERNSEY AND ALDERNEY) ORDER, 2010**

In pursuance of Section 5 of the Digital Switchover (Disclosure of Information) (Guernsey and Alderney) Law, 2009, the Digital Switchover (Prescription of Information) (Guernsey and Alderney) Order, 2010, made by the Home Department on 1st April, 2010, is laid before the States.

EXPLANATORY NOTE

This Order, made under the Digital Switchover (Disclosure of Information) (Guernsey and Alderney) Law, 2009 ('the Law') prescribes the descriptions of information that the Social Security Department, the Health and Social Services Department, the Housing Department and the Guernsey Blind Association may supply pursuant to the Law for the purposes of help to be provided to individuals under the Digital Switchover Help Scheme (as defined in article 1(3) of this Order). A copy of the Digital Switchover Help Scheme (Cm 7830) can be obtained from the Stationery Office (TSO).

**THE COMPANIES (RECOGNISED STOCK EXCHANGES)
REGULATIONS, 2009**

In pursuance of Section 537 of the Companies (Guernsey) Law, 2008, the Companies (Recognised Stock Exchanges) Regulations, 2009, made by the Registrar of Companies on 17th April, 2009, are laid before the States.

EXPLANATORY NOTE

These Regulations prescribe recognised stock exchanges for the purposes of section 783 of the Companies (Guernsey) Law, 2008. A company which is listed on one of the recognised exchanges is exempt from the beneficial ownership regime of Part XXIX of that Law.

**THE HEALTH SERVICE (BENEFIT) (LIMITED LIST) (PHARMACEUTICAL
BENEFIT) (AMENDMENT NO. 2) REGULATIONS, 2010**

In pursuance of Section 35 of the Health Service (Benefit) (Guernsey) Law, 1990, the Health Service (Benefit) (Limited List) (Pharmaceutical Benefit) (Amendment No. 2) Regulations, 2010, made by the Social Security Department on 14th April, 2010, are laid before the States.

EXPLANATORY NOTE

These Regulations add to the limited list of drugs and medicines available as pharmaceutical benefit which may be ordered to be supplied by medical prescriptions issued by medical practitioners.

Guernsey Inflation

Quarter 1 - 31st March 2010

Issue Date - 23rd April 2010



POLICY COUNCIL
THE STATES OF GUERNSEY

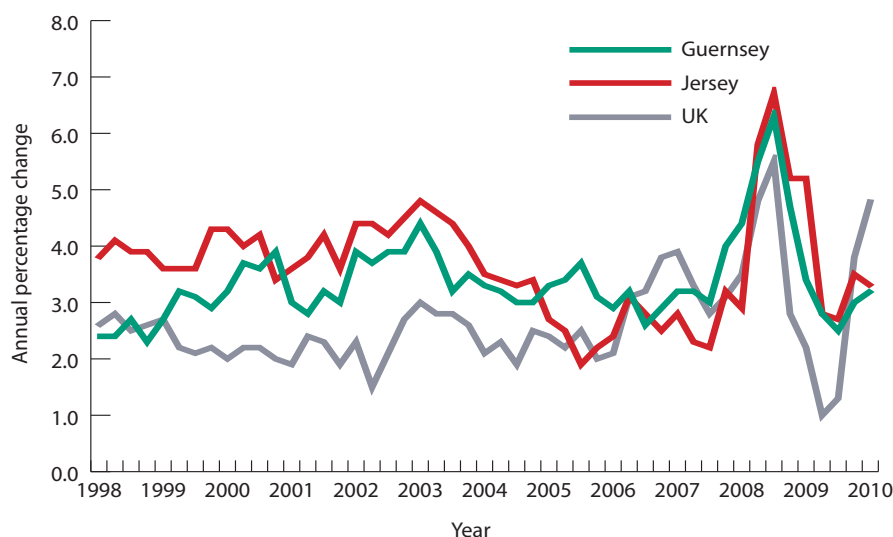
Introduction

The Guernsey RPIX and RPI, are measures of inflation used in Guernsey. They measure the change in the prices of goods and services bought for the purpose of consumption or use by households in Guernsey. The indices are published quarterly by the States of Guernsey Policy and Research Unit. The calculation of the RPIX and RPI are based on the price change of items within a 'shopping basket'. Whilst some prices rise over time, others will fall or fluctuate and the Indices represents the average change in these prices. More detailed information on the calculation of these indices can be found at the end of this handout.

Headlines

- Guernsey's RPIX ("core" inflation excluding mortgage interest payments) was 3.1% this quarter, compared to 2.9% at the end of December 2009 and 3.3% at the end of March 2009.
- In the UK and Jersey the equivalent RPIX figures for the end of December 2009 were 4.8% and 3.3% respectively (see Figure 1).
- Ten of the fourteen RPIX groups increased over the year ending December 2009.
- The Fuel, light and power and Motoring groups made the largest contributions to the annual increase, contributing increases of 0.7 and 1.1 percentage points respectively to the annual change in inflation.
- The annual RPI inflation rate was 3.4% compared to 2.2% at the end of December 2009 and -1.2% at the end of March 2009.

Figure 1: Annual Rates of Inflation - RPIX



APPENDIX II**CULTURE AND LEISURE DEPARTMENT****CHANNEL ISLANDS LOTTERY – 2009 REPORT AND ACCOUNTS**

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

22nd March 2010

Dear Sir

I am pleased to be able to provide a report on the Bailiwick of Guernsey's performance within the Channel Islands Lottery for 2009. The requirement to report is contained within section 2 (5) of the Gambling Channel Islands Lottery Ordinance. The report is included as an appendix to a Billet d'Etat.

We regret to report that sales of scratch tickets continued to fall in 2009; however, sales of Christmas Draw tickets reached a record high.

LOTTERY FORMAT

Throughout 2009 the Lottery was run on an instant prize scratch card basis, with the exception of Christmas, which also included a draw of winning numbers.

Two separate scratch card games are run side by side, both offering a maximum prize of £20,000.

Changes to the structure of the game and prize structure are routinely monitored after consultation with the Lottery Advisory Panel. The panel meets to review and make recommendations about the Lottery.

SALE OF TICKETS

Five main Agents are appointed to sell Lottery tickets within the Bailiwick of Guernsey; three in Guernsey, one in Alderney and one in Sark. The Agents purchase tickets from the Department and ensure that the tickets are on sale as widely as possible through a chain of sub-agents.

Total ticket sales in 2009 were as follows:-

	Bailiwick of Guernsey	Jersey	Total Sales
Scratch Cards	686,300	864,000	1,550,300
Christmas Draw	760,000	1,240,000	2,000,000
Total	£1,446,300	2,104,000	3,550,300

PRIZES UNCLAIMED

Prizes which are not claimed are forfeited after a given period of time. The total value of prizes unclaimed in the Bailiwick of Guernsey amounted to £20,763 in 2009. £24,600 was transferred to the Christmas Draw to support a minimum guaranteed prize structure for the draw. The balance of unclaimed prizes as at 31 December 2009 stood at £164,258.

DONATION TO THE ASSOCIATION OF GUERNSEY CHARITIES

The profits from the Christmas Bumper Draw are paid to the Association of Guernsey Charities for distribution to charitable groups. The amount paid to the association in respect of the 2009 Christmas Draw was £183,458.93, a record payment to the Association from the Channel Islands Lottery. This represents an increase of £36,004.22 (24.4%) on the 2008 figure.

With the Department's agreement the Association of Guernsey Charities has distributed the funds as detailed at Appendix 1.

ACCOUNTS

The accounts for the Channel Islands Lottery (Guernsey) Fund for 2009 are attached at Appendix 2. These reveal that the promotion of the Lottery in the Bailiwick of Guernsey produced a surplus of £299,008 (an increase of £14,405 or 5.1%) which was shared within the Bailiwick in proportion to the number of tickets sold in each Island as follows:-

Chief Pleas - Sark	£2,102
States of Alderney	£2,886
States of Guernsey	£294,020

Yours faithfully

M G O'Hara
Minister

Appendix 1

Channel Island Christmas Lottery 2009

Guernsey Charitable Grant Allocation

The Association of Guernsey Charities

Charity	AGC No.	Purpose	Allocation
Amherst Primary School PTA	295	“Artist in Residence” Costs	2,500.00
Association of Royal Navy & Royal Marines	236	Accommodation costs for visit of Band of the Royal Marines	3,000.00
Channel Islands Air Search	53	Search Radar additional installation costs	10,000.00
Drug Concern	153	Towards salary for Manager	15,000.00
Families First at Roseville	291	Rent of Community Centre	1,000.00
Guernsey Bereavement Service	243	Expansion of counselling service to Alderney	1,000.00
Guernsey Cheshire Home	35	Utility and Running Costs	20,000.00
Guernsey Chest and Heart	99	Cholesterol Testing Equipment	4,000.00
Guernsey Jumbulance Holidays	81	Hire of Jumbulance & driver for UK trip	6,600.00
Guernsey Sports Commission	260	Sports Equipment for Street Sport Project	1,500.00
Guernsey Welfare Service	20	Office Rent & Welfare Vouchers	10,000.00
Guernsey Womens Aid	263	Answerphone service & Publicity Material	400.00
Headway Guernsey	289	Towards Manager salary and running costs	16,000.00
Le Rondin School (PSFA)	278	Funding UK Trip for special needs children	9,350.00
Maison St Pierre	125	Insurance cover and refurbishment	2,595.00
Methodist Homes for the Aged	95	Purchase Additional Washing Machine for Maison de Quetteville	4,592.00
MS Society Guernsey Branch	11	Purchase exercise bike	4,000.00

Channel Island Christmas Lottery 2009

Guernsey Charitable Grant Allocation

The Association of Guernsey Charities

(continued)

NSPCC Guernsey Branch	43	Contribution to annual running costs	15,000.00
Philippi Guernsey Limited	270	Funding professional development & student course costs	2,000.00
Relate Guernsey	24	Supervision Fees for Counsellors	3,000.00
Riding for the Disabled	61	Hire of Ponies for weekly riding for adults and children with a disability	13,000.00
Rocquaine Regatta LBG	320	Towards building replacement dinghies	2,200.00
Sea Cadet Corps	96	Insurance for Members & Equipment	932.67
St Stephens Community Centre	227	Providing cubicles & disabled toilet plus other building costs	17,000.00
Victim Support Scheme	211	Salary & running costs	5,000.00
WRVS	57	Vehicle expenses/Jubilee Day Centre insurance/Computer magnifiers	14,010.00

TOTAL GRANTS 183,679.67

This grant allocation includes £183,458.93 from the 2009 Christmas Lottery, plus £220.74 from the Association's Charitable Fund

Information on over 260 local charitable organisations is available on The Association of Guernsey Charities website: www.charity.org.gg

Appendix 2**CHANNEL ISLANDS LOTTERY (GUERNSEY) FUND****Forfeited Prizes Account**

	2009 Actual £'000s	2008 Actual £'000s
Balance at 1 January	168	174
Share of forfeited prizes	21	19
Transfer to Operating Account	(25)	(25)
	164	168

Operating Account

	2009 Actual £'000s	2008 Actual £'000s
Forfeited Prizes	25	25
Sale of Tickets	1,446	1,354
Agents' Commission	(192)	(181)
Contribution to prize fund including forfeited prizes	(868)	(812)
Printing and Stationery	(64)	(64)
Promotion	(12)	(10)
Staff Costs	(31)	(24)
States of Jersey administration charges	(4)	(2)
Other expenses	(1)	(1)
Gross surplus	299	285
Chief Pleas of Sark – share of surplus	(2)	(2)
States of Alderney – share of surplus	(3)	(3)
Net surplus transferred to Appropriation Account	294	280

Appropriation Account

	2009 Actual £'000s	2008 Actual £'000s
Balance at 1 January	15	13
Net surplus for the year	294	280
Donation to Association of Guernsey Charities	(183)	(148)
Transfers to Beau Sejour Centre	(110)	(130)
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Balance at 31 December	16	15
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Notes

- 1) The balance on the Appropriation Account is payable ultimately to the Beau Sejour Centre under States Resolutions I of 27 September 1972 and XXII of 26 February 1998.
- 2) In accordance with the States Resolution of 23 February 1995 (Billet D'Etat V, February 1995), with effect from 2000 any forfeited prize money from expired Draws which remains unused in the current year will be retained for use as a contingency to support the prize funds in future Draws.