



VI
2013

BILLET D'ÉTAT

TUESDAY 26th MARCH 2013

POLICY COUNCIL –
STATES STRATEGIC PLAN 2013-2017

BILLET D'ÉTAT

TO THE MEMBERS OF THE STATES OF THE ISLAND OF GUERNSEY

I hereby give notice that the item contained in this Billet d'État which has been submitted for debate will be considered at the Meeting of the States of Deliberation already convened for **TUESDAY, the 26th March, 2013.**

R. J. COLLAS
Bailiff and Presiding Officer

The Royal Court House
Guernsey
15th February 2013

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2. EXECUTIVE SUMMARY

- 2.1 The States Strategic Plan (SSP) is a mechanism to enable the States to decide what they want to achieve over the medium to long-term and how they will manage or influence the use of Island resources to pursue those objectives. The first States Strategic Plan was adopted by the States in 2009. Although its name suggests that it is a single document it is in fact a ‘family’ or suite of inter-related plans as illustrated in the diagram following paragraph 3.6.
- 2.2 This States Report is presented to the States in two parts: an explanatory covering report and an annexe containing the draft Plan itself. The Policy Council intends to re-publish the Plan in its approved form as a stand alone document so that it can be made readily accessible to the States organisation and the general public.
- 2.3 Although the Plan is intended to promote a co-ordinated and consistent approach to policy-making, there is currently an acknowledged disconnection between States strategy and short-term decision-making because:
- There is no agreed political agenda setting the direction of travel
 - There is no corporate mechanism to implement such an agenda even if it existed, and
 - The annual States Budget is largely based on an historic approach to funding States Departments rather than on funding to deliver the wider corporate agenda.
- 2.4 This report explains how the review of the SSP that has taken place since the present States took office in 2012 addresses these shortcomings through:
- A more concise expression of Aims, General Objectives and Themes for the guidance of all States policy
 - The identification of the majority consensus amongst States Members for setting a political direction of travel during this States term including the identification of topics of strategic importance to be debated in this term
 - The intended development during 2013 - 2014 of a multi-year corporate planning and budgeting process to be called the Government Service Plan (GSP).
- 2.5 Taking the last bullet point first, a Government Service Plan, if approved by the States in 2014, will complete the government’s planning system by enabling strategy to be translated into a specific programme of action that will directly guide the preparation of the States Budget. In other words, it will provide the mechanism that is currently missing from the process.

The States Strategic Plan and the Government Service Plan are intended to be separate documents but they will be strongly linked to each other as indicated in the diagrams referred to in paragraph 4.12.

2.6 SSP - 0-25 year planning horizon

- Assesses the challenges ahead for which government needs to plan
- Sets high-level strategic policy and a political ‘direction of travel’
- Will be fully reviewed once every four years early in each States term
- Should not normally require interim reviews.

2.7 GSP - 0-4 year ‘rolling’ plan. The plan will be subject to annual review and it will:

- Translate strategy into a programme for action during the States Term
- Inform the preparation of the States Budget
- Be fully reviewed once every four years following the review of the SSP
- Then be reviewed annually to monitor performance against targets.

2.8 Once every four years, after the review of the States Strategic Plan, the Government Service Plan will be more comprehensively reviewed to make sure that it is in line with any significant changes in strategy.

2.9 At the time of writing in January, consultation with States Members about the concept of a Government Service Plan has only recently begun. The Policy Council intends to consult extensively with Members, Departments and Committees before bringing a report to the States in July this year about the GSP and the principles and processes that might drive it. The States can then decide whether they wish to pursue such an approach. If they agree to do so, the Policy Council expects to be able to present the first GSP to the States in July 2014. Eventually, capital programming as well as revenue spending priorities will be determined via the GSP but this will take time to achieve.

2.10 Although consultation about the GSP lies ahead, Policy Council has already hosted a series of substantial discussions with States Members over recent months about the big policy challenges that Guernsey faces over the next 25 years and how best to tackle them. These discussions have informed the review of States Aims and a new, more concise expression of States General Objectives and the Themes or lines of approach, to be taken towards achieving those objectives. The proposed statements are set out on in section 10.3 (Annexe – The States Strategic Plan).

- 2.11 The consultation process is explained in this report and the views expressed by States Members have also been translated into the proposed statement of a 'Political Direction of Travel' in the Plan itself. This does not amount to a political manifesto but it is intended to describe the political consensus within the present States so that this can be referred to when interpreting the statements of Aims and Objectives. In effect it describes the political 'tone' of this particular States.
- 2.12 Overall, the contents of the States Strategic Plan have been considerably slimmed down. Previously, the SSP has been a hybrid of long-term strategy and other, shorter-term material. This shorter-term material (eg 5 year financial projections), no longer forms part of the SSP but is likely to re-emerge where appropriate as part of the GSP. Proposed arrangements for informing States Members about the States Legislative Programme are explained as part of this report. The programme does not form part of the SSP. Overall, the development of a Government Service Plan enables the States Strategic Plan to be wholly strategic in focus.
- 2.13 While the objectives of the Fiscal & Economic Policy, Social Policy, and Environmental Policy Plans have been reviewed as part of the SSP and are presented for States approval, the States are not being asked to re-confirm approval for the corporate policy plans themselves until the GSP is adopted by the States in 2014 and the plans have been revised according to agreed priorities for action. The plans in their current form remain available on the States website.
- 2.14 In the meantime, however, until the plans are formally reviewed and revised, the SSP includes a section dealing with major challenges ahead in each of the three policy areas and the connections and tensions between different aspirations that the States need to take into account in considering policy 'in the round'. The particularly important challenges Guernsey faces in coping with long-term spending pressures and generating economic growth so that Guernsey can continue to earn its living successfully and provide the best affordable services for an ageing population, are explored in this section.
- 2.15 An update on each of the four Island Resource Plans (Energy, Island Infrastructure, Population Management, and Strategic Land Use), is also included in the Plan. Currently, the Energy Plan and the Strategic Land Use Plan are in place having been approved in the last States term while the Population Management Plan and Island Infrastructure Plan are under development.
- 2.16 Summaries of States Department and Committee Business Plans are not appended to the SSP report this year but are available on the States website.
- 2.17 The complex inter-connectedness of all policy-making is a theme throughout this report and has prompted the Policy Council to identify a short list of topics of particular strategic policy significance which the Policy Council believes the States should debate during in this term so that policy tensions can be considered and eased.

- 2.18 Finally, turning to governance matters, a new Statement of Government Values in the Plan enshrines the States' endorsement in 2011 of the Six Principles of Good Governance as determined by the UK Independent Commission on Public Services. In addition, this report also fulfils a States Resolution arising from a joint report by the Public Accounts, Scrutiny and States Assembly and Constitution Committees about 'Improving Governance in the States of Guernsey' (Billet d'Etat V, 2012).
- 2.19 The Resolution required the Policy Council to report back to the States with its proposals for improving strategic planning and resource allocation in the period to 2016. The Policy Council explains how the progress being made through the revision of the SSP and proposed creation of a GSP will improve on previous practice.

3. WHERE WE ARE NOW

- 3.1 The States Strategic Plan was first adopted by the States in 2009 to link what government wants to do (policy) with the management of resources to make it happen.
- 3.2 The Plan superseded the Government Business Plan (GBP) which was developed in the 2004-2008 States term. But it maintained the objectives of the GBP which were: to generate a stronger sense of political direction within Guernsey's non-party, consensus form of government, and to 'forge a line of authority' (sometimes called 'The Golden Thread'), between States corporate strategy and departmental policy making and service delivery.
- 3.3 In January 2012 the previous States published a 'Guide to the States Strategic Plan' describing the Plan as *"one of the most positive things that we are able to hand onto our successors in the next Term"*. This simple guide was well-received by the public. The Policy Council has revised the form of the Plan itself this year so that, once approved, it can be published on line and as a booklet in a similar way to the Guide. Indeed it has been possible to re-use some of the wording in the Guide as part of the Plan.
- 3.4 This is an example of the ways in which the Policy Council intends to inform people more effectively about the way government works. As the States Strategic Plan has previously explained, it is not a single document but a 'family' of plans each with a particular part to play. This family concept was illustrated in the form of a diagram in 2011-2012. The diagram shows the three Corporate Policy Plans (Fiscal and Economic; Social and Environmental); Department and Committee Policy Plans; and the four Island Resource Plans (Population Management; Energy; Strategic Land Planning and Island Infrastructure).
- 3.5 The various Policy Plans interrelate with one another and sometimes there are tensions or even conflicts between them which the States have to reconcile. The Island Resource Plans respond to the objectives set out in the Corporate Policy Plans to achieve the 'best fit' in their areas when judged against government objectives as a whole. The diagram also refers to the way in which the States Strategic Plan provides a basis to monitor and scrutinise service delivery and financial performance.
- 3.6 At the centre of the Family of Plans diagram is the box entitled 'What we are going to do' which represents the way in which long-term objectives need to be translated into practical action in each States Term.

The States Strategic Plan

A Family of Related Plans



3.7 Last year, the outgoing States said that amongst the challenges the States Strategic Plan would need to be able to meet in the 2012-2016 Term would be:

- “• *Finding ways for the States to set an even clearer political agenda that the public can understand and the scrutiny process can hold the States to account for carrying out.*
- *Helping to make government more efficient and effective year on year so that public services provide good value for money.*
- *Making sure there is consistency between strategic planning (20-25 years), and shorter term planning (1-5 years), within states Departments so that the two levels of government work well together.*
- *Encouraging productive discussion between the Policy and Island Resource Plan Groups and amongst States Members generally about areas where there are tensions and conflicting aspirations (e.g. tensions between the need to return to a balanced States Budget (Fiscal & Economic Policy Plan) and the desire to provide a good standard of social services of all kinds (Social Policy Plan)”.*

3.8 This report examines these topics in more detail and describes what the current Policy Council has been doing over recent months to address them, including how the introduction of a Government Service Plan will, in future, fill the ‘What we are going to do’ box far more effectively.

4. THE DEVELOPMENT OF A GOVERNMENT SERVICE PLAN

4.1 Unless and until the States establishes a clear connection between the broad objectives of the SSP and the short term policies and activities of each Department, the SSP will be of little practical value.

4.2 Currently there is a visible disconnection between the component parts of effective government because:

- There is no agreed political agenda setting the direction of travel
- There is no corporate mechanism to implement such an agenda even if it existed, and
- The annual Budget is largely based on an historic approach to funding Departments - rather than focusing funding on delivering the wider corporate agenda.

As a consequence there is no genuine relationship between the strategic objectives and the way priorities are actually decided, rather the government simply reacts to demanding short term pressures with too little attention to long term outcomes.

4.3 In order to address these matters it is proposed that the high level strategic policy and political direction of travel contained within the SSP with its 0-25 year time horizon should be linked inextricably with a 0-4 year rolling plan under the banner of the 'Government Service Plan' which will:

- Translate strategy into a programme for action during the States Term
- Inform the preparation of the States Budget
- Be reviewed annually to monitor performance against targets
- Be reviewed in full once every four years following the review of the SSP
- Represent a step change from the current narrow departmental focus on the allocation of resources towards a more corporate approach.

4.4 For clarification:

- The States Strategic Plan which will normally be reviewed once every four years, focuses on Guernsey's twenty five year future.
- The Government Service Plan will be a rolling four year plan that is to be reviewed and updated annually. It will say what the government is doing in the short-term to meet its long-term Aims and Objectives. Once every four years, after the review of the States Strategic Plan, the Government Service Plan will be more comprehensively reviewed to make sure that it is in line with any significant changes in strategy.

Learning from the past

4.5 While this disconnection between strategic policy and departmental service delivery exists it would be unfair to suggest that the States have not previously attempted to address it. Indeed, between 2009 and 2011 the States developed a new approach to deciding on how best to allocate limited funds to New Service Developments. The Government Service Plan can learn from and build on this experience.

4.6 A previous States Strategic Plan Report explained that:

"In the past the States have considered proposals to develop new public services on a case by case, fragmented basis. Departments have traditionally submitted States Reports as stand alone proposals and the States have had no overall context for comparing the merits of one initiative against others 'in the pipeline'.

The States have already recognised that this is a very unwise way to manage capital investment and the same logic applies equally to new revenue initiatives where a holistic view of budgetary impact is also required.

When prioritisation is imperative to constrain public spending and correct a structural budget deficit it is obvious that the States have to develop a framework for testing the respective merits of competing projects to get best value for public money.”

- 4.7 Under the approach trialled by the previous States, although ultimately priorities were determined through debate in the States, such discussion took place within the context of an attempt to objectively evaluate the competing merits of different New Service Development Bids. The States agreed a system of evaluation known as Multi-Criteria Analysis (MCA) (a variant of Cost Benefit Analysis) to help decide which New Service Developments could be funded from the efficiency savings achieved through the Financial Transformation Programme.
- 4.8 A detailed explanation of the MCA process was provided in the 2011 States Strategic Plan report (Billet XVI, October 2011). This explanation made the point that *“MCA provides much better information for making political choices but there is no magic in the process that infallibly identifies the ‘right choice’.* Ultimately, this has to be a political judgement taking into account the evaluation that has taken place”.
- 4.9 Although the use of MCA as a pilot project was considered successful, it was recognised, however, that prioritising spending choices against broad, high-level States objectives continued to be difficult. The 2011 report (para 4.15), said that, *“Based on the Government Business Plan and States Strategic Plan experiences, the States face a genuine challenge for the future in creating a clear political vision for government that can also be integrated with the practicalities of departmental policy-making, administration and budgeting”.*

Multi - Year Planning and Budgeting

- 4.10 In order to address this challenge the Policy Council explained in the 2011 SSP report that what was required was to move beyond the current annual budgeting cycle, which artificially focuses efforts on a single year, to a multi-year business planning and budgeting process. Work on this particular Financial Transformation Programme project has intensified over the last year and will, when it is completed, ensure that the new financial process dovetails with the corporate policy planning process to create the proposed Government Service Plan. In this respect this FTP project is an “enabler” ie. designed to deliver greater organisational efficiency rather than directly producing savings in itself but it is nonetheless vital to achieving alignment between strategic planning and service delivery.

- 4.11 In summary, the Government Service Plan is intended to build on the experience gained through the prioritisation of New Service Developments and ultimately to apply a similar sort of approach to evaluate all States expenditure (not just New Service Developments) both in terms of revenue and capital. It will be the tactical process through which the States will make decisions about the allocation of resources enabling Departments to continue to provide key public services while at the same time ensuring that priority programmes and projects (ie. the long term change agenda) will be properly resourced and managed more efficiently than in the past.
- 4.12 As previously explained, the Government Service Plan will be a rolling four year Plan reviewed and approved annually by the States. It represents a step change in the way that government operates and will balance good established practice, which has been shown to add value elsewhere, with the need to adapt to unique local circumstances.

The following diagrams (see next pages) show how the Government Service Plan, once adopted by the States, will relate to the States Strategic Plan and the Service/Business Plans of States Departments.

The diagrams are repeated in the States Strategic Plan itself.

- 4.13 At the time of writing this report, consultation with States Members as a whole and with Department Boards about the structure and content of the Government Service Plan has only just begun. Ideally, consultation and then full implementation would be carried out during 2013, but given the amount of work involved this is impractical. Instead, it is proposed that 2013 will be a transitional year with a States debate in July to consider in more detail the concept of a Government Service Plan and the principles and processes which might drive it. The July debate will provide the opportunity for the States to signal whether they wish to pursue such an approach and, if so, to agree and shape the components of the Plan. The first full Government Service Plan will then be presented to the States in 2014.
- 4.14 Eventually, capital programming as well as revenue spending priorities will be determined via the Government Service Plan but this will take time to achieve. Since the States decided during the December 2012 States Budget debate that there should be a Capital Prioritisation debate in the third quarter of 2013, this work will proceed for the time being in parallel with work on the Island Infrastructure Plan (part of the States Strategic Plan), the Strategic Asset Management project (part of the Financial Transformation Programme), and the Government Service Plan.

The way that this year's States Strategic Plan has been formulated to support this transitional process is described later in this report (see 'The SSP this year').

- 4.15 It is very important to understand, however, that all elements of the States' organisation: Departments, Committees and the Policy Council as the co-ordinating body, will continue with 'business as usual' during the transition. What the GSP will do in 2014 will be to bring much better coherence to the process of prioritising and resourcing what the public sector does but the process of government will not stop during the interim.

5. IMPROVING POLICY DEVELOPMENT AND DEVELOPING A CLEARER POLITICAL DIRECTION

- 5.1 Referring back to the challenges identified by the previous States, a Government Service Plan will make sure that, in future, there can be genuine consistency between strategic planning (0-25 years), and shorter-term service and financial planning (0-4 years), provided that:

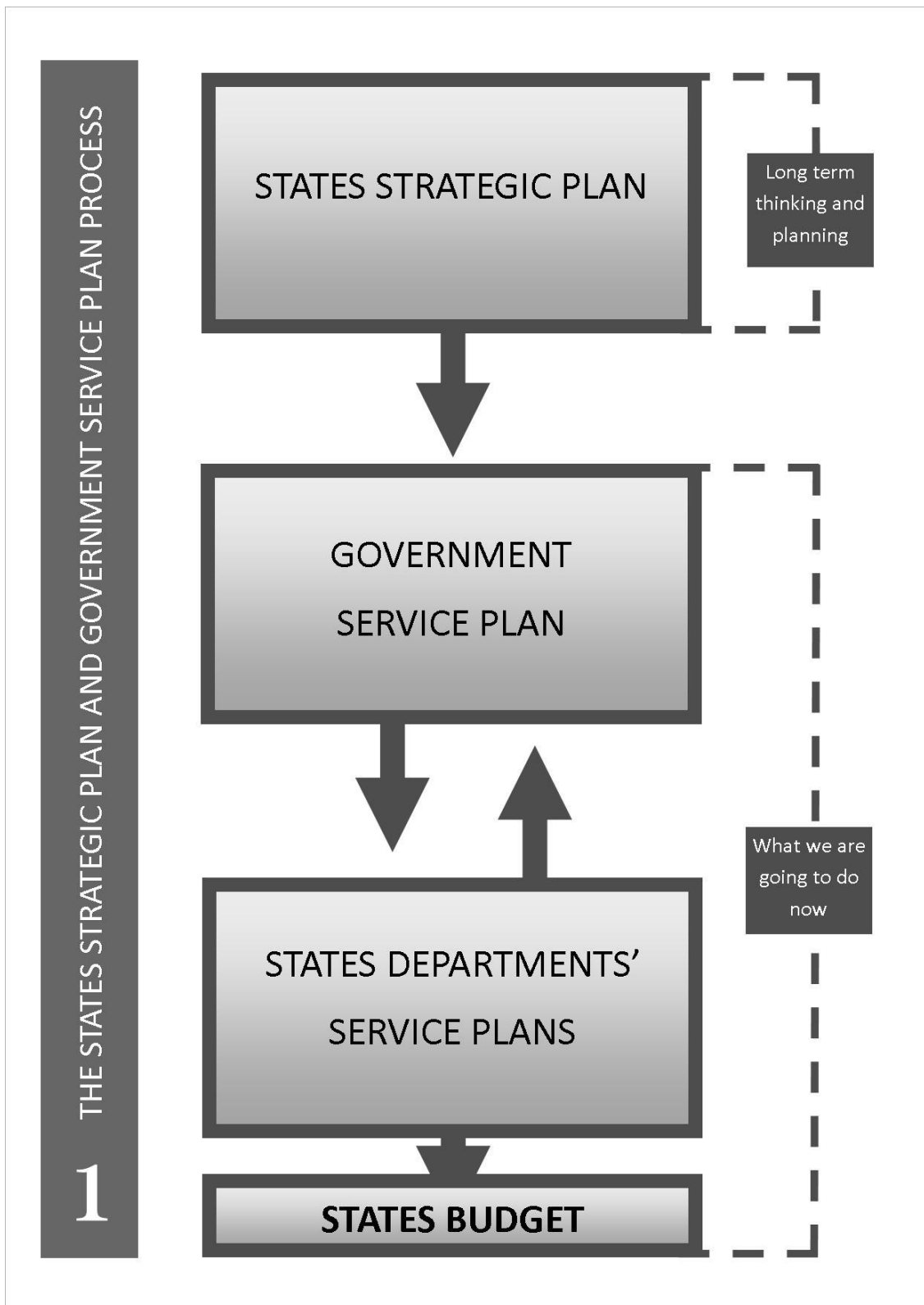
- The States Strategic Plan sets out clear objectives and a political direction of travel for achieving them; and
- The link between the States Strategic Plan and the Government Service Plan is strong and effective.

- 5.2 This report explains what has been done to formulate a clearer set of strategic aims and objectives and political direction of travel. The Policy Council recognises, however, that further work needs to be done to refine these statements into more specific criteria to guide the Government Service Plan. Without such guidance Multi Criteria Analysis will be impossible.

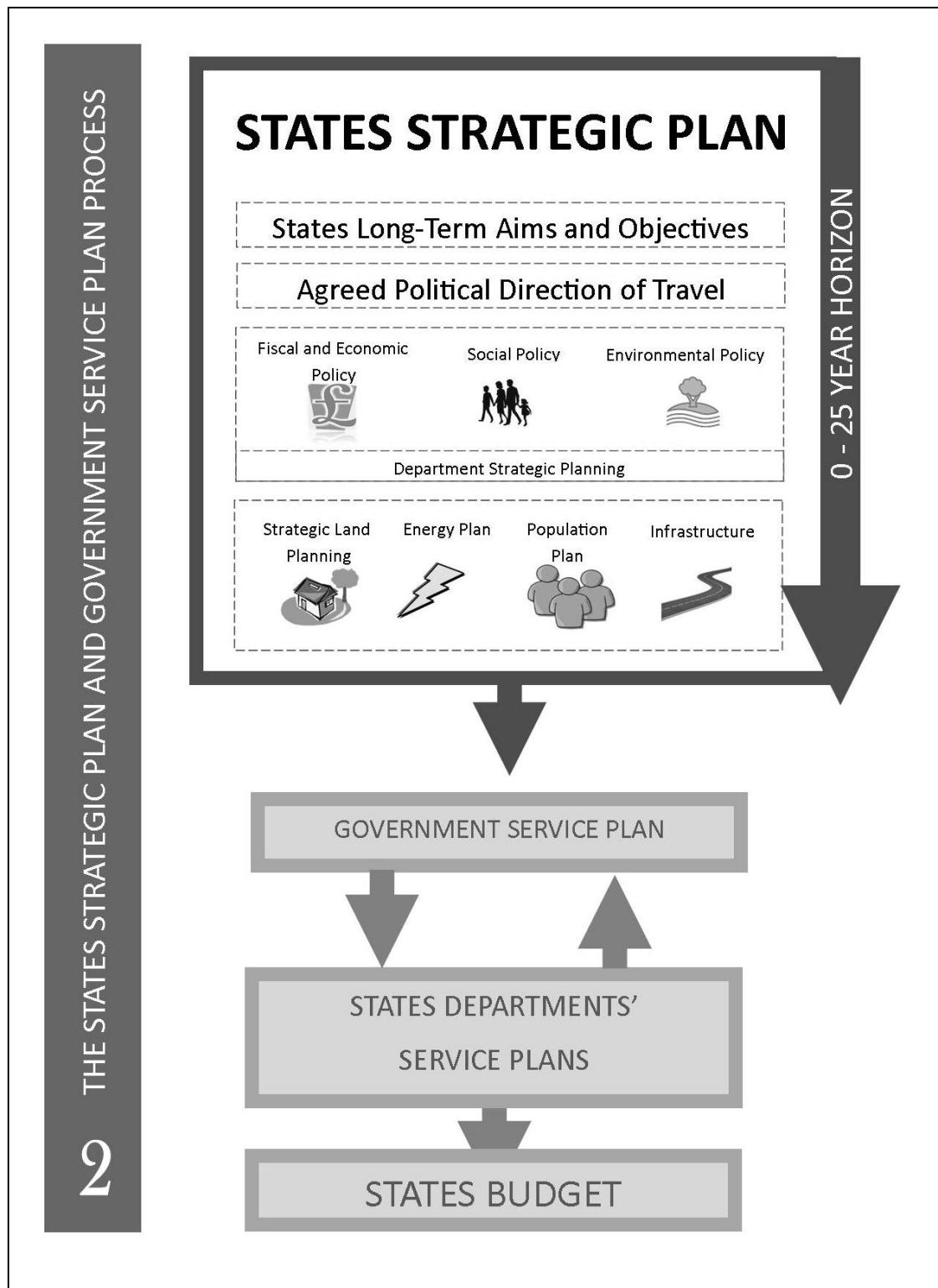
Consultations with States Members

- 5.3 Following the General and States elections, the new Policy Council met informally during July 2012 to discuss its rôle and how best to provide a form of leadership within the States based on good and respectful working relationships with all States Members. Ministers also discussed their views about creating a political agenda for the 2012-2016 States Term and agreed that a majority consensus has to be built around a well-informed understanding of complex issues and a willingness to make difficult judgements. It was recognised that political consensus (ie. majority agreement), can never be an end in itself; it is a position to be reached and then acted upon.
- 5.4 After the July meeting the Policy Council wrote to all States Members to invite them to participate in an informal workshop style meeting on 10th November 2012. The purpose of the full day meeting was to provide an opportunity for Members to talk to each other about the major challenges facing Guernsey over the next 20-25 years and about the tensions between different political aspirations and policy objectives. There was very positive feedback from the meeting highlighting the value many Members placed on being able to discuss strategic issues in an informal setting outside the States Chamber.

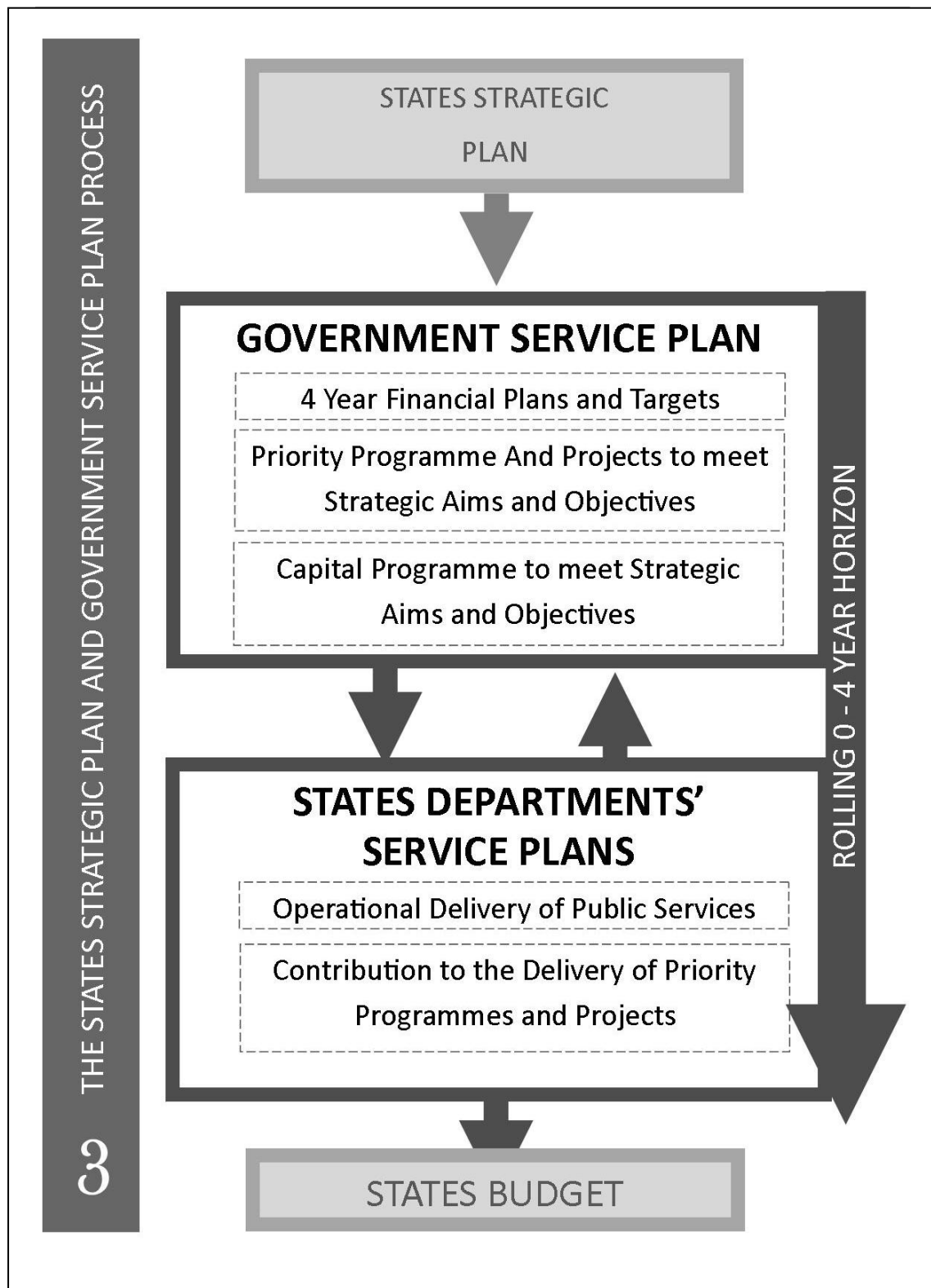
1. HOW THE PROPOSED PROCESS WILL WORK



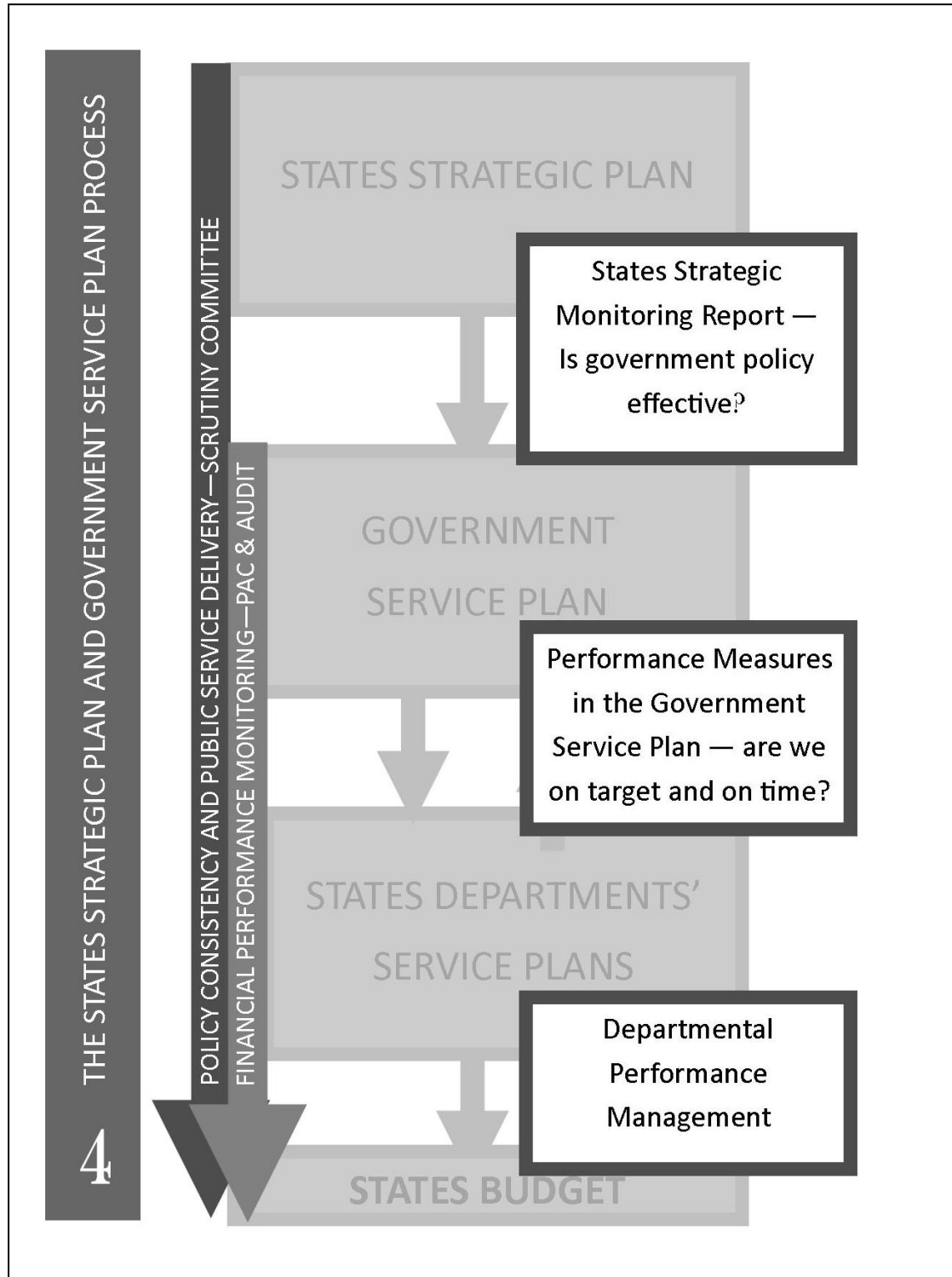
2. THE STATES STRATEGIC PLAN IN MORE DETAIL



3. THE GOVERNMENT SERVICE PLAN AND STATES DEPARTMENTS' SERVICE PLANS IN MORE DETAIL



4. DIFFERENT LEVELS OF MONITORING AND REVIEWING HOW WELL GOVERNMENT IS WORKING



- 5.5 Ministers were encouraged at the level of interest and engagement generated by the meeting and felt that a good start had been made towards a better shared understanding of strategic policy. It was accepted, however, that a single discussion forum could only be the beginning of a journey to create a consensus agenda for action.
- 5.6 As the next step on that journey, the Policy Council hosted a further political forum on 30th November 2012. At this meeting, individual States Members were invited to convene discussion groups around any issue they considered to be of major significance for government policy in the long-term and to record the comments that were made. The purpose of the meeting was not to formulate specific policies or to suggest that the views of any small discussion group would necessarily represent the majority view of States Members. What the meeting was designed to do was to give an insight into the political landscape as seen by the present States.
- 5.7 Again, the meeting was well attended and States Members indicated that they would welcome a third meeting before the States Strategic Plan was finalised to see how the many views expressed were to be reflected in the report. That meeting took place on the 17th January 2013 with a further, smaller meeting on 22nd January 2013 for those unable to attend on the earlier date.
- 5.8 On each occasion, States Members were invited to comment and suggest possible amendments to the Policy Council's draft proposals for:
- Statements of Strategic Aims, General Objectives and Themes
 - A statement of a 'Political Direction of Travel' that describes the consensus of views within the present States
 - A list of matters of strategic importance for debate in the current political term.

States Members' input was subsequently considered by the Policy Council and many of the comments resulted in revisions to the draft.

- 5.9 The Policy Council believes that these elements of the proposed States Strategic Plan now represent a majority consensus of opinion but this will, of course, be tested in formal debate.

6. THE STATES STRATEGIC PLAN THIS YEAR

Strategic Focus

- 6.1 The development of a Government Service Plan during 2013-2014 will complete the States corporate planning system allowing the States Strategic Plan to focus exclusively on the longer-term view. This year's States Strategic Plan, therefore, does not contain material about the States medium-term financial planning which will in future form part of the Government Service Plan, nor does it describe the current state of the economy or external relations as previous plans have done. The Plan excludes the prioritisation of legislative drafting as is explained later in this report under the heading 'States Legislative Programme'.

Statement of Aims

- 6.2 The States Strategic Plan presently includes the following Statement of Aims:

Statement of Aims

The government of Guernsey aims to:

- Improve the quality of life of Islanders.
- Secure the Island's economic future.
- Protect the Island's environment, unique cultural identity and rich heritage.

It recognises that this requires:

- Maintenance and enhancement of Guernsey's standing in the global community.
- Wise long-term management of Island resources.
- Good governance.
- Co-ordinated and cost-effective delivery of public services.
- Sustainable economic growth and effective public services without increasing the population to the detriment of our environment and way of life.
- Improved awareness of the culture and identity of Guernsey.

Please note that the Glossary of Terms that forms part of the States Strategic Plan as set out in the Annexe to this report includes a definition of 'Aims' and other policy words.

The Policy Council considers that the Statement remains broadly valid but believes that it could be improved by some amendments and additions to read:

Statement of Aims

The government of Guernsey aims to protect and improve:

- The quality of life of Islanders.
- The Island's economic future.
- The Island's environment, unique cultural identity and rich heritage.

It recognises that this requires:

- Maintenance and enhancement of Guernsey's standing in the global community.
- Sustainable economic growth and effective public services without increasing population to the detriment of our environment and way of life.
- Conditions that encourage enterprise and successful business.
- Wise long-term management of Island resources including the maintenance of a highly skilled and well-educated workforce.
- Efficient transport and communication systems, including digital connectivity.
- Good governance and public engagement.
- Co-ordinated and cost-effective delivery of public services through co-operative working and transformation change management.
- Improved awareness of the culture and identity of Guernsey both internally (within the Island) and externally
- All people having opportunities and support where needed, to enable them to reach their full potential.
- Policies which protect the natural environment and its biodiversity by accounting for the wider impacts that human activity has on it.

6.4 **The reasoning behind the proposed changes to the Statement of Aims is that:**

- The words ‘protect and improve’ can be applied to all three Aims which standardises the statement.
- A new bullet point has been added to ensure that the Statement of Aims acknowledges the importance of maintaining conditions that encourage business success.
- References to a skilled and well-educated workforce, efficient transport and connectivity and conditions that encourage enterprise and successful business arise in recognition of the vital importance of these factors to the Island’s economic future.
- The reference to ‘public engagement’ acknowledges the value of better two-way communication between the States and the general public.
- The reference to change management reflects the importance of organisational change to support the achievement of government aims.
- The reference to improved awareness of Guernsey’s culture and identity has been expanded to make clear that this means local awareness and awareness outside the Island.
- A bullet point has been added highlighting support for all Islanders to reach their full potential.
- A bullet point has been added confirming support for the protection of the natural environment and biodiversity.

6.5 The States are asked in Recommendation (2) to approve the revised Statement of Aims (which is also included in the Plan Annexe in Section 10.3).

The Review of The Fiscal and Economic Policy, Social Policy and Environmental Policy Plans and Proposed General Objectives and Themes

6.6 Following the Policy Council’s first discussions about strategic planning in July 2012, the Policy Council sub-groups responsible for the Fiscal and Economic Policy, Social Policy and Environmental Policy Plans were asked to provide:

- A revised and more concise set of strategic objectives for each plan so that these would then become part of a shorter and simpler Statement of Aims and Objectives to sit ‘at the top’ of the States Strategic Plan. It was recommended that there should be a maximum of five objectives for each Plan.
- A maximum of three Key Themes to describe each group’s work in the 2012-2016 States Term.

- 6.7 The purpose of distilling what are currently long lists of objectives into fewer words is to make the States Strategic Plan simpler and to edit out shorter-term specific objectives that will in future be considered as part of the Government Service Plan.
- 6.8 The new Statement of General Objectives and Themes is provided in section 10.3 of The Plan Annexe in a tabulated format covering Fiscal and Economic, Social and Environmental Policy. The States are asked to approve the statement in Recommendation (3).

The challenges ahead

- 6.9 As part of the handover arrangements between the previous and current States, the 2008-2012 Corporate Policy Groups (sub-groups of the Policy Council) had provided their successors with briefing papers about the major policy challenges Guernsey faces looking twenty to twenty five years ahead.
- 6.10 In 2012, new Corporate Policy Groups considered these briefings as a basis for producing their own assessments of the issues that strategic policy has to address. It was this material that was used in presentations to encourage discussion at the 10th November States Member meeting and a summary of the challenges forms part of the proposed States Strategic Plan. (See section 10.4 of The Plan Annexe)
- 6.11 As is explained in the Plan itself, the Fiscal and Economic Plan, Social Policy Plan and Environmental Policy Plan are available to read and download from the States website but the States are not being asked to endorse the Plans in March 2013 as part of the States Strategic Plan debate.
- 6.12 The Plans will have to be revised as the States specific priorities for action are decided through the 2014 Government Service Plan. After the Government Service Plan debate in July 2014 it will be necessary to update the Corporate Policy Plans to take account of States decisions, noting which programmes and projects will be moving forward and which will be slow-tracked, postponed or cancelled to release money and other resources for higher priorities. In the interim, until the GSP is in place, work will continue on a 'business as usual' basis.
- 6.13 It would be premature to approve the Corporate Policy Plans until this process has taken place but the GSP prioritisation process will have reference to the plans in evaluating which programmes and projects are likely to make the strongest contribution in support of States strategy. The three Corporate Policy Plans remain the source of information about the work currently being undertaken in each policy area.

Review of the Island Resource Plans

- 6.14 The Island Resource Plans for Population Management, Energy, Strategic Land Use and Island Infrastructure are designed to manage or influence the use of resources to support States Aims and Objectives; the three Corporate Policy Plans and Department Policy Plans.
- 6.15 A summary of the current status of each Island Resource Plan is provided in the Plan itself as set out in the Annexes to this report.
- 6.16 For the time being work to complete the Population Management Plan and the Island Infrastructure Plan for consideration by the States will continue taking into account the contents of the States Strategic Plan 2013 once it is approved.
- 6.17 If necessary, once the Government Service Plan has been approved in 2014 and the Strategic Policy Plans revised accordingly, the Island Resource Plans can be revised to bring them into line with any relevant policy changes. Otherwise, they will continue to be valid in their present form.
- 6.18 The proposed sequence is as follows:
- **March 2013** - States asked to approve Aims, General Objectives, Themes and a Political Direction of travel via the States Strategic Plan. In doing so, the States refer to the Fiscal and Economic, Social and Environmental Policy Plans but do not formally endorse the plans.
 - **July 2013** - States asked to approve the underlying principles and processes of a Government Service Plan which will ultimately identify which programmes and projects are to be prioritised for action in this States Term.
 - **July 2014** – States consider the first Government Service Plan.
 - **Nov to Dec 2014** – States consider updated Corporate Policy Plans (Fiscal and Economic, Social and Environmental Policy Plans) and if necessary, Island Resource Plans (Population Management, Energy, Strategic Land Use and Island Infrastructure).

States Legislative Programme

- 6.19 In accordance with its mandate the Policy Council is responsible for prioritising the States Legislative Programme and it took the opportunity in the 2010 States Strategic Plan (para 6.19-6.26) to set out proposals for making significant improvements to the historic approach to prioritisation.

6.20 This new approach included:

- The formation of a Prioritisation of Legislation Working Group comprising HM Procureur, HM Comptroller, Director of Legislative Drafting, Chief Executive, Deputy Chief Executive
- The creation by this Group of a rolling programme of prioritised legislation requiring drafting for consideration and approval or amendment by the Policy Council
- Publication of the list of priorities in the annual review of the SSP, and
- The introduction of a process whereby each States Report requiring new legislation will include a brief annexe containing information justifying the need for legislation, etc.

6.21 In 2011 the SSP report contained a detailed programme for the quarter ending 30th September 2011. A second programme setting out work in progress or work expected to be addressed within the following twelve months and a third programme which contained work that was likely to be covered as list two was completed. The report also indicated that this process would be further reviewed and if necessary, changes made at the end of 2011. This review subsequently took place but because no SSP was published in 2012 this is the first opportunity to report on its findings.

6.22 The review confirmed that the new system was working well, although it had become clear that the longer lists of legislation to be tackled over the course of the following year and beyond were of limited value given the inability to predict the need to resource drafting of emergency legislation, to accommodate changing political priorities in respect of legislation as the year progressed (particularly after a General Election) to adapt to changing drafting resources within the Law Officers, to respond to the time it took for the Privy Council to turn around Projets de Loi and so on. As a result, the Policy Council has adopted the practice of creating and publishing a quarterly programme which is distributed to States Members and also published on the Government website. It also publishes a report on progress on meeting the priorities set out for the previous quarter.

6.23 In the last two years good progress has been made in finalising a number of pieces of legislation which have been in the making for some years and in respect of which delays in their completion has been the cause of some frustration. These include Animal Welfare legislation and Mental Health legislation. The speed with which Laws are now being processed by the Privy Council has also increased and from feedback from the Departments which are asked to regularly update their priority list for legislation under their mandates, there is a clear message that they are receiving a good service.

- 6.24 As part of the review the Policy Council also observed that the information contained in the annexe to States Reports as largely a repetition of the detail contained in the reports themselves and therefore decided to advise Departments and Committees to dispense with the annexe but rather to include a specific section within each Report briefly summarising the need for legislation, the drafting arrangements and so on.
- 6.25 Against this background and mindful of the Policy Council's intention that the States Strategic Plan should concentrate on strategic matters, it is no longer proposed to use it as a vehicle to publish the prioritisation programme which will be widely available on a quarterly basis as described.

Applying a Political Direction of Travel to the States Strategic Plan

- 6.26 Taken together the Statements of Strategic Aims, General Objectives and Themes provide a high-level summary of what the States of Guernsey want to achieve. Discussions with States Members have highlighted, however, that it is the resolution of tensions and conflicts between competing policy aspirations that is often the most difficult aspect of government.
- 6.27 At the forum meeting on November 10th various Members made comments about this:-
- “• *There has to be a holistic view of policy across all areas.*
 - *Policies should tick all three boxes (Fiscal and Economic, Social and Environmental).*
 - *Policy tensions are desirable – even necessary ('tension is good').*
 - *A balance must be struck but it will change over time (not a static situation).*
 - *Not all tensions can be reconciled but they can be the driver for debate and compromise within Guernsey's system of government.*”
- 6.28 At the strategic policy level it can be easy to ignore the tensions between policies because the Aims, General Objectives and Themes are necessarily written in the broad terms appropriate to their long-term viewpoint. Once the States look to the States Strategic Plan to help them make decisions about practical choices through the Government Service Plan, however, policy tension and competition for limited resources will come to the fore.

6.29 **Through conversations at the States Member meetings certain themes emerged:**

Leadership

- Guernsey needs leadership with a clear vision of the future
- Policy Council leadership needs to be inclusive in its approach to all States Members
- The Policy Council needs to be seen to communicate well – listening as much as talking

Ourselves

- We should celebrate (without complacency) our success and value what we have
- The distinctive nature of Guernsey is valued and seen as an asset
- But we have to accept that change will happen and can be positive as well as negative

Need to confront difficult situations

- The States face big challenges ahead
- The economy is under pressure and we cannot afford everything we would like to have
- We need to be prepared to reconsider our assumptions and make hard choices

Fairness and efficiency

- In tougher economic times people expect financial burdens to be fairly spread
- Government is expected to be efficient
- Fairness means looking at who pays and being prepared to consider a new approach to taxation – but we still want to keep things as simple as possible
- Realism and prioritisation of services will be vital because we cannot afford to have everything
- Long-term capital investment needs to be planned and may involve alternative ways of raising money because public revenues won't be enough (See update on the Island Infrastructure Plan)

Earning our living

- Guernsey's economy has weathered the global economic crisis relatively well but it is fragile and under threat
- Diversification is desirable but hard to achieve in small economies
- Our approach to business needs to be positive and enabling
- High standards of education and an effective skills strategy will be vital for the future

Making government policy

- The way corporate policy is developed should be reviewed and refreshed to break down perceived barriers to those who want to contribute
- States Members value opportunities for informal policy discussions outside the States Chamber. These build better understanding
- Government needs to be seen ‘in the round’ as an integrated whole. Fiscal and Economic and Social Policy in particular are often two sides of the same coin but all policies/political aspirations impact in some way on each other
- Population policy is a political fault line between those who want to resist any increase (and think we can), and those who believe some increase will be inevitable and necessary to meet challenges such as the ageing population and economic growth
- Government needs to identify what other agencies especially the 3rd Sector could deliver as well or better than government
- A smaller government with less bureaucracy and intervention would reduce costs

These themes are expressed in the ‘Political Direction of Travel’ section of the Plan Annexe (Section 10.6). They do not amount to a political agenda but they are an assembly point for a political journey and they set a tone to assist the interpretation of Strategic Aims, General Objectives and Themes.

Debating Key Topics

- 6.30 In addition, serious concerns about the Health and Social Services Department budget overspend and about the States Budget deficit and impact of the Financial Transformation Programme have demonstrated the importance of debating certain key issues during this States Term. Policy Council has identified for information only what it sees as these key issues in the Plan itself. This short list does not attempt to include all the important matters that are likely to be the subject of States Reports in this Term. It only refers to the most significant topics in terms of States strategy where debate should help to identify ways of reconciling competing aspirations.
- 6.31 The Policy Council has translated the themes and concerns discussed by States Members into a ‘Statement of Political Direction’ within the Plan. It is recommended through Recommendation (4) that the States approve the statement and it is intended that regard will be given to the statement of ‘A Political Direction of Travel’ in the development of the Government Service Plan in 2013-2014.

7. GOOD GOVERNANCE

- 7.1 As part of the last review of the States Strategic Plan in October 2011 (Billet d'Etat XVI, 2011), the States agreed that a reference to good governance should be included in the Statement of Aims.
- 7.2 In this year's review of the Plan that reference has been retained. In addition, the Policy Council is proposing that the Six Core Principles of Good Governance¹ which were adopted in 2011 as a result of a report from the Public Accounts Committee, should be incorporated into the States Strategic Plan under the heading 'Statement of Government Values'. This statement in section 10.2 of the Plan also summarises the ways in which the States Strategic Plan contributes to the implementation of these principles.
- 7.3 The States are asked to approve the statement as part of the States Strategic Plan in Recommendation 1.
- 7.4 In January 2012 the States considered a report prepared jointly by the Public Accounts, Scrutiny and States Assembly and Constitution Committees entitled 'Improving Governance in the States of Guernsey' (Billet d'Etat V, 2012). One of a long series of States Resolutions arising from that report required that:

"The Policy Council should report to the States of Deliberation setting out proposals for how in the 2012-16 term the States' corporate policy planning process will address the following challenges, having taken into account in particular the observations and suggestions contained in paragraphs 5.11 to 5.36 of the Report:

- i. The disconnect between policy planning and the allocation of resources;*
- ii. The disconnect between policy making at the corporate and departmental levels;*
- iii. The lack of ownership and 'buy in' to the policy planning process among States members;*
- iv. The lack of public engagement with the government's programme."*

Paragraphs 5.11 to 5.36 formed part of a section of the Joint Committees' report headed 'Policy-making, Policy-planning and Decision-making'

- 7.5 The Policy Council's comments and proposals in respect to the States Resolution are set out below.

¹ These principles are as determined by the UK Independent Commission on Public Services.

The disconnect between policy planning and the allocation of resources

The Joint Committees' report states that, "The headline strategic objectives and policy priorities should be the drivers of public expenditure" (Para 5.23) and that, "The corporate policy planning process should be inseparable from the corporate financial planning process" (Para 5.25). The Policy Council fully agrees with these views and has been pursuing this approach since it came into office through its review of strategic aims and objectives and the restructuring of the strategic and corporate planning process to enable the development of the Government Service Plan. As explained earlier in this report, the Government Service Plan is intended to be the mechanism for inter-linking corporate policy planning with corporate financial planning so that government spending can be directed to areas of highest priority.

The disconnect between policy making at corporate and departmental levels

- 7.7 Again, the Policy Council recognises that there is currently a disconnection between corporate and departmental policy-making that needs to be resolved. For some years following the reorganisation of government in 2004, successive Policy Councils have used corporate policy sub-groups to bring together the Ministers (and senior staff) representing Departments in the areas of Fiscal and Economic, Social and Environmental Policy. Each Minister's rôle has then been to act as a two-way channel of communication with his or her Department Board. Different variations on this theme have been tried each with benefits and drawbacks:
- Large policy groups are more inclusive and draw on a bigger pool of knowledge and opinion but they can be very unwieldy and inefficient to manage and make slow progress to identify and pursue goals.
 - Small policy groups can be more decisive and effective but unless the members of the group network effectively with Departments, States Members and other stakeholders, they can become detached and may fail to represent a broad base of opinion within the States.
- 7.8 The public sector is in the process of major organisational change so that it can better respond to the demand on it. The relationship between the rôle of States Departments and the rôle of the States acting as a corporate body is one of the key areas that needs to be resolved at political level as part of this change programme.
- 7.9 The creation of a Government Service Plan will certainly bring this issue to the fore as it will require the States to make corporate decisions about priorities and resource allocation across Departments. The Policy Council does not have a blueprint for achieving this but it is committed to find a way forward that the majority of States Members can support. Consultation will lead to a States debate about principles in July 2013.

The lack of ownership and ‘buy-in’ to the policy planning process among States Members

- 7.10 It is probably true to say that most, if not all, States Members would accept the value of government having long-term aims and objectives. This does not mean that they find it naturally interesting or easy to get involved with policy making at this level.
- 7.11 States Members often stand for election on the basis of specific and short-term objectives that they and the general public are concerned about immediately. The four year cycle of general elections also means that politicians are always under pressure to make an impact within their term of office and this tends to distract them from the sometimes frustrating complexities of long-term strategy.
- 7.12 The Policy Council was very aware of this difficulty when it began to think about the review of the States Strategic Plan in July 2012. Ministers were aware that they needed to meet States Members to talk about ‘high-level’ policy in a new and more informal way than had been attempted before.
- 7.13 Members’ positive response to the series of meetings held in November 2012 and January 2013 indicate that a better level of ‘buy in’ to the policy planning process is now being achieved and needs to be sustained. The Policy Council will be interested to hear States Members’ views about this during the debate on this report.
- 7.14 The Policy Council has also taken on board the need to present the States Strategic Plan as straightforwardly as possible so that States Members can readily appreciate its purpose and accept ‘ownership’ of it.

The lack of public engagement with the government’s programme

- 7.15 Like States members, the public and media are more readily interested in specific topics, projects and events than in the broad sweep of government policy. At the same time, however, people expect government to be thinking carefully about Guernsey’s future and to have a consistent strategic approach so that the Island is best placed to meet challenges and take up opportunities.
- 7.16 The Policy Council believes that there have to be realistic expectations about the degree to which the public will participate directly in the formulation of the States Strategic Plan *as a whole*. Ministers consider that genuine consultation and active participation can better be achieved in relation to each individual plan within the family of strategic plans. This has been the approach taken to date by previous States through major consultation exercises on Strategic Land Use Policy (‘Guernsey Tomorrow’), and Population Management and the Policy Council thinks that the commitment to engage with the public in this way should continue and be further improved.

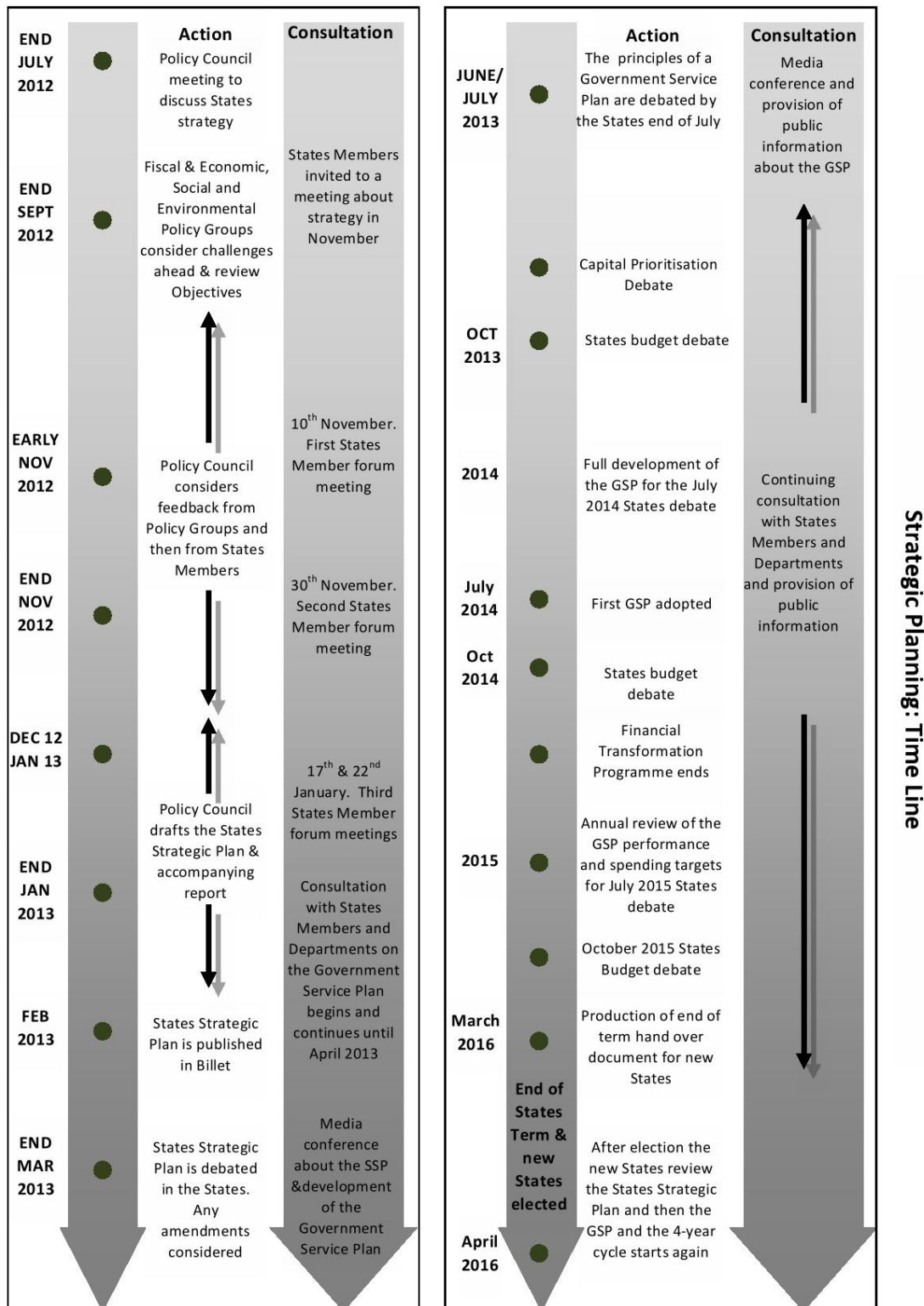
7.17 Public consultation in relation to the Government Service Plan is, however, another matter because at this level decisions about policy priorities and the allocation of resources will be of direct public interest. At the time of writing, the ‘Strategic Planning: Timeline 2013 - 2017’ as set out in this report envisages that ‘public information’ will be provided in 2013 and 2014 as the Government Service Plan is developed. The Policy Council will be interested to hear States Members’ views during the debate on this report whether, and in what way, this might be extended to become a public consultation exercise about the Government Service Plan.

7.18 The Joint Committees’ report (Para 5.35) says that:

“As the States Strategic Plan cycle becomes more established, it should seek to incorporate mechanisms for public engagement on policy objectives and their implementation. This may be facilitated through the scrutiny process, which would encourage debate and challenge of the government’s programme in a public forum”.

7.19 The Policy Council envisages that the Government Service Plan will embody ‘the government’s programme’ in future and thus provide a better basis for accountability. A scrutiny process that is open to the public would be a way of reinforcing this accountability and evaluating government performance against the specific objectives and targets in the Plan.

8. STRATEGIC PLANNING: TIME LINE



9. RECOMMENDATIONS

The Policy Council recommends the States:

1. To approve the inclusion of the Statement of Government Values as part of the Plan
(Section 10.2)
2. To approve the revised Statement of Aims as set out in the Plan
(Section 10.3)
3. To approve the new Statement of Fiscal and Economic; Social and Environmental Policy Plan General Objectives and Themes as set out in the Plan
(Section 10.3)
4. To approve the Statement of a Political Direction of Travel as set out in the Plan
(Section 10.6)
5. To confirm that the States Corporate Policies continue to be appropriate for legal and regulatory purposes as set out within the Plan
(Section 10.7 and Appendix)
6. To note the Fiscal and Economic; Social, and Environmental policy challenges identified in the Plan
(Section 10.4)
7. To note the update on the Island Resource Plan for Energy in the Plan
(Section 10.5 (10.5.4 to 10.5.17))
8. To note the update on the Island Resource Plan for Infrastructure in the Plan
(Section 10.5 (10.5.18 to 10.5.31))
9. To note the update on the Island Resource Plan for Population Management in the Plan
(Section 10.5 (10.5.18 to 10.5.40))
10. To note the update on the Island Resource Plan for Strategic Land Use in the Plan
(Section 10.5 (10.5.41 to 10.5.50))
11. To note the Policy Council's intention to consult with States Members, States Departments, States Committees and other relevant stakeholders during 2013 – 2014 and as a first step, to present a report to the States in July 2013 setting out the principles for the development of a Government Service Plan to facilitate multi-year corporate and departmental planning and budgeting.

12. To note all other sections of the 2013-2017 States Strategic Plan and accompanying report not specifically referred to in Recommendations 1-11 above.

Deputy Peter A Harwood
Chief Minister

28th January 2013

Deputy J P Le Tocq
Deputy Chief Minister

Deputy G A St Pier
Deputy R Domaille
Deputy D B Jones
Deputy R W Sillars
Deputy P A Luxon

Deputy A H Langlois
Deputy K A Stewart
Deputy M H Dorey
Deputy M G O'Hara

ANNEXE

THE STATES STRATEGIC PLAN

10. THE STATES STRATEGIC PLAN (SSP) 2013-2017

Introductory section and illustrations

The Purpose of the SSP

- 10.1.1 The SSP is a mechanism to enable the States to decide what they want to achieve over the medium to long-term and how they will manage or influence the use of Island resources to pursue those objectives.
- 10.1.2 The Plan is designed to encourage more joined-up ways of thinking within Guernsey's non-party political government. It can adapt over time to different political agendas and it is intended to help resolve situations where government policies might otherwise be in conflict with each other.

The Scope of the SSP

- 10.1.3 The Bailiwick of Guernsey consists of the islands of Guernsey, Alderney, Sark and Herm. Sark is self-governing; Alderney is partly so but forms part of Guernsey for income tax purposes. Herm belongs to the States of Guernsey but is managed by leaseholders.
- 10.1.4 Although parts of the SSP are of relevance to Alderney (particularly those related to "transferred services"), the Plan is mainly concerned with Guernsey itself.

Who prepares the SSP?

- 10.1.5 The SSP 2013-2017 has been prepared by the Policy Council following consultation with all States Members.

Who contributes to the SSP?

- 10.1.6 The Policy Council receives input to the SSP from Corporate Policy and Island Resources groups that themselves draw on information and advice provided by States Departments as well as other consultees.
- 10.1.7 The Policy Council also consults with States Members as a body so that strategic policy is prepared with the benefit of political discussion and understanding.
- 10.1.8 The general public is not asked to contribute directly to the SSP *as a whole* but is consulted, often in depth, about the individual components of the Plan, eg. in relation to Population Management Policy, the Strategic Land Use Plan and so on.

The components of the SSP

10.1.9 The illustrations 1, 2, 3 and 4 on the following pages show that the SSP is made up of a 'Family' or suite of related plans. Each plan has a rôle to play in the SSP process.

10.1.10 In 2013-2014 the States will be asked to adopt a Government Service Plan for the first time. The States Strategic Plan and the Government Service Plan (GSP) are intended to be separate documents that will be strongly linked to each other:

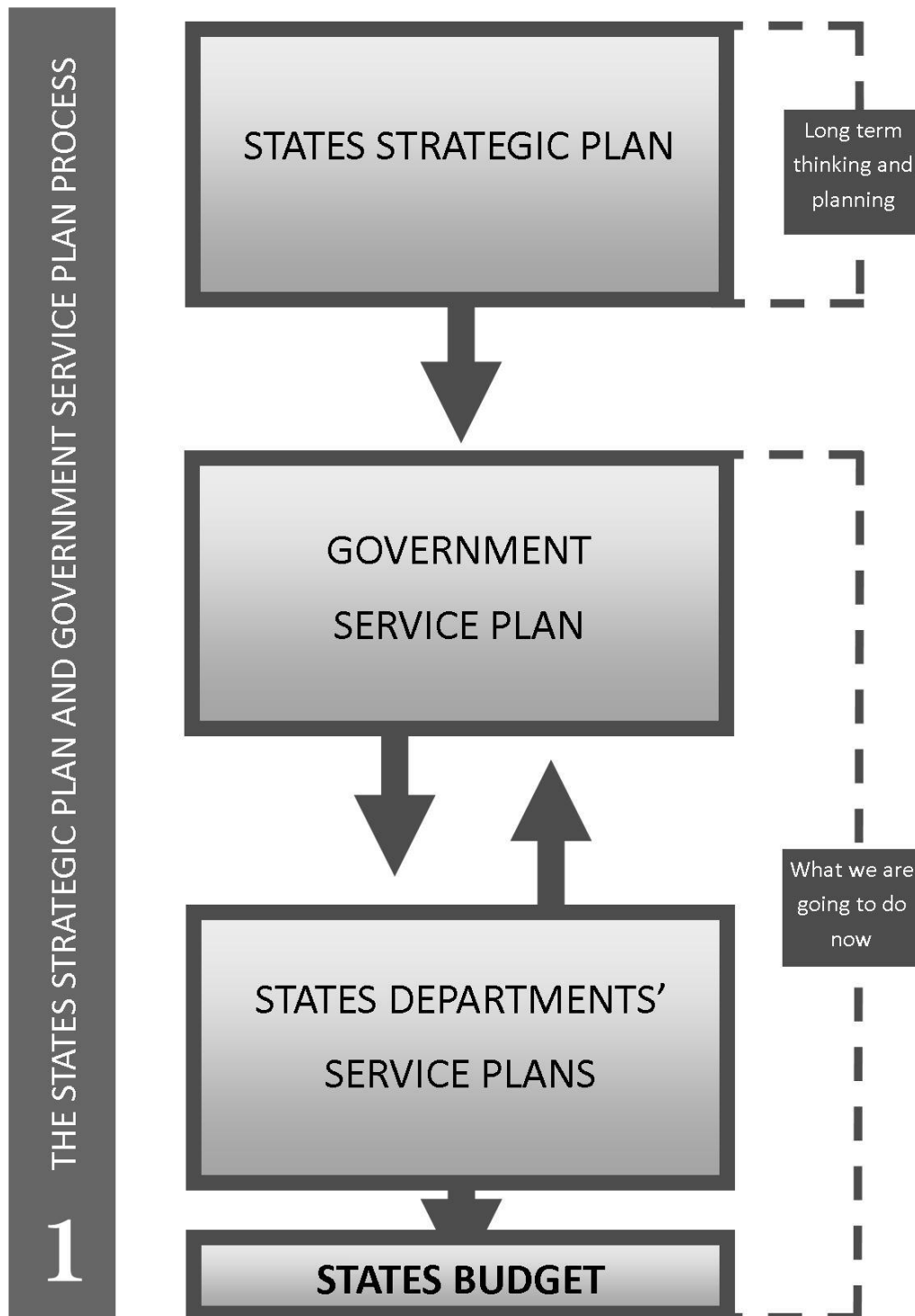
SSP - • 0-25 year horizon subject to a review once every 4 years

- Assesses the challenges ahead for which government needs to plan
- Sets high-level strategic policy and a political 'direction of travel'
- Will be fully reviewed once every four years early in each States Term
- Should not normally require interim reviews

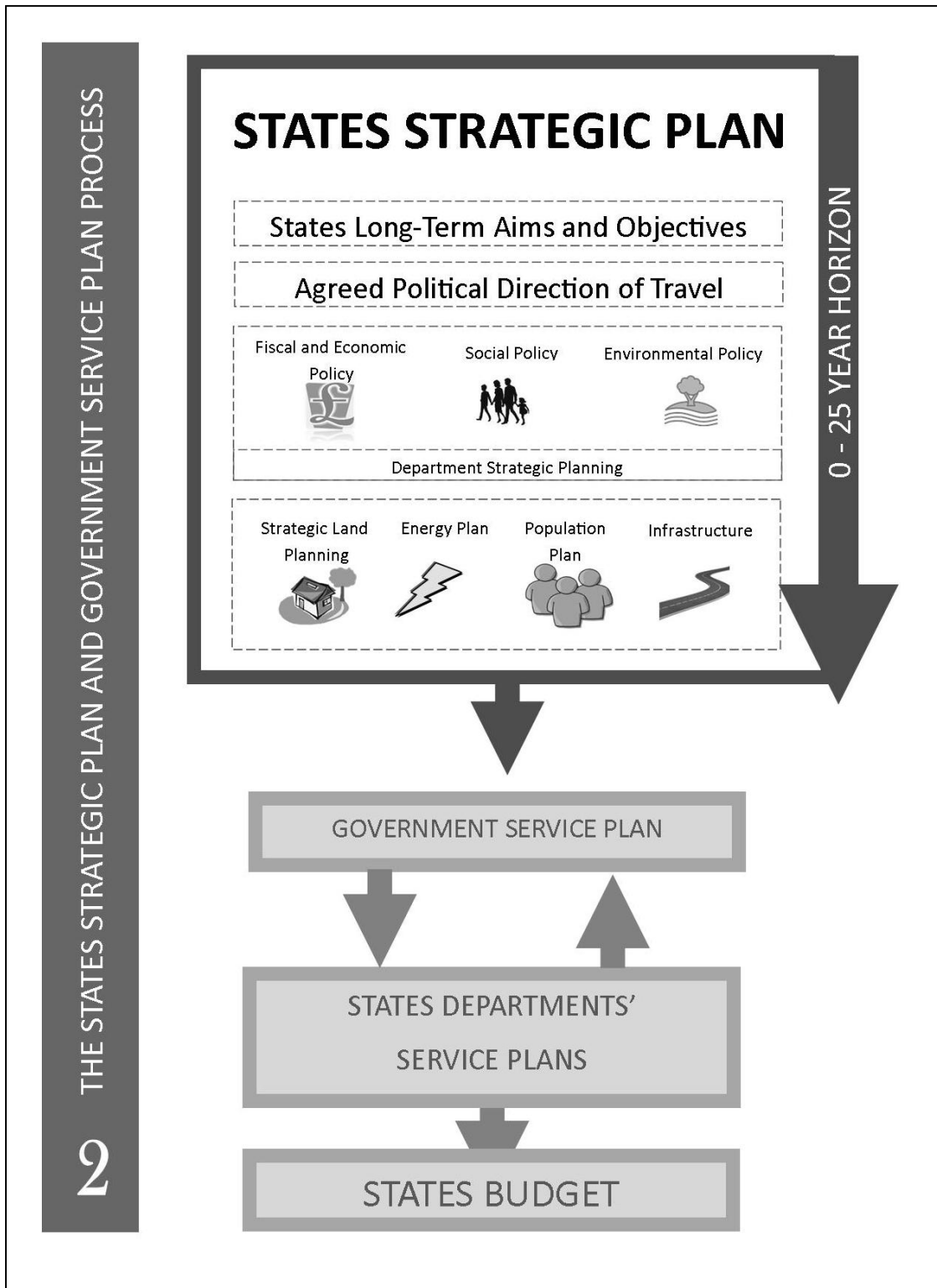
GSP - • 0-4 year 'rolling' plan

- Will translate strategy into a programme for action during the States Term
- Will inform the preparation of the States Budget
- Will be fully reviewed once every four years following the review of the SSP
- Will then be reviewed annually to monitor performance against targets

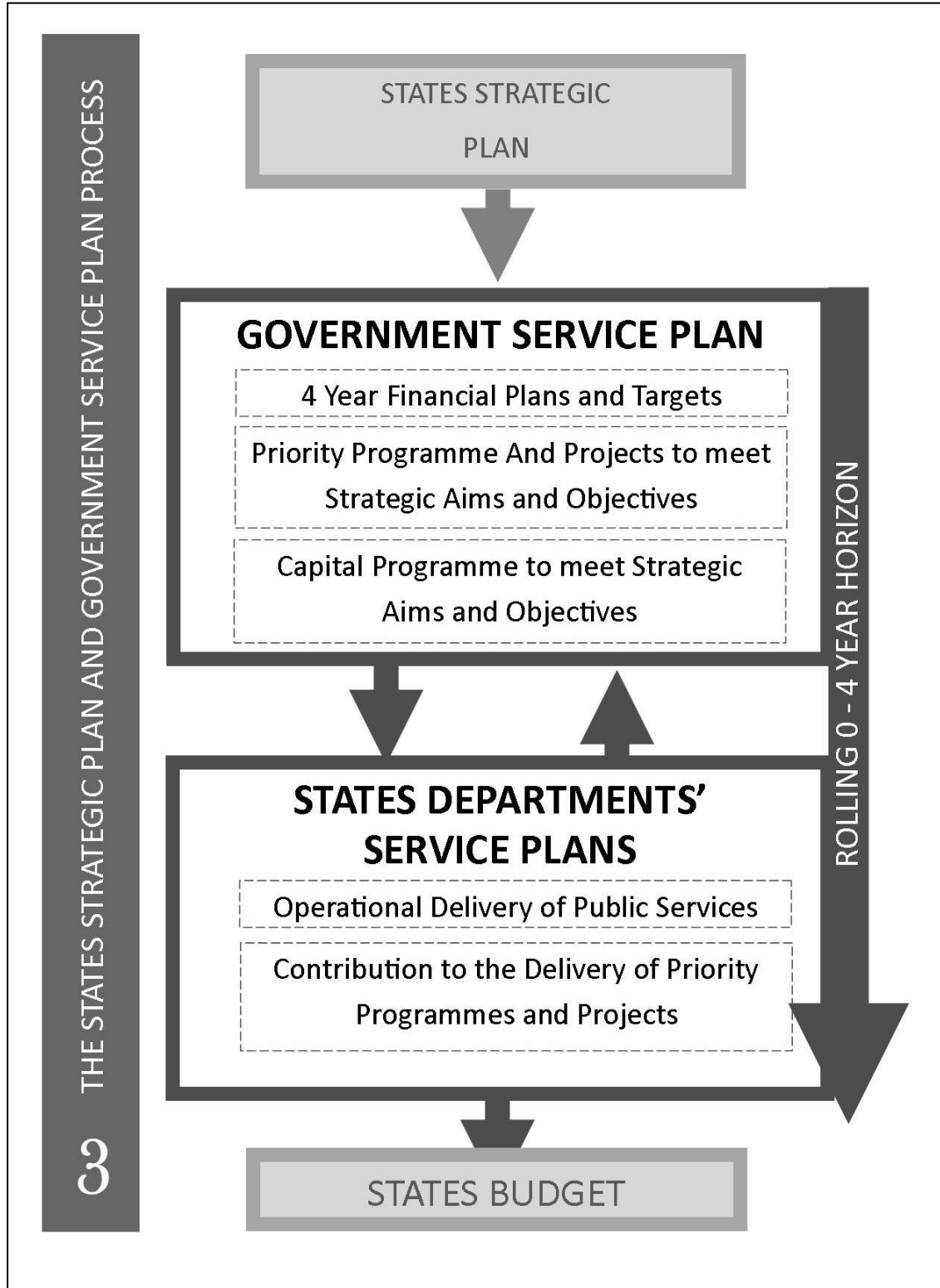
1. HOW THE PROPOSED PROCESS WILL WORK



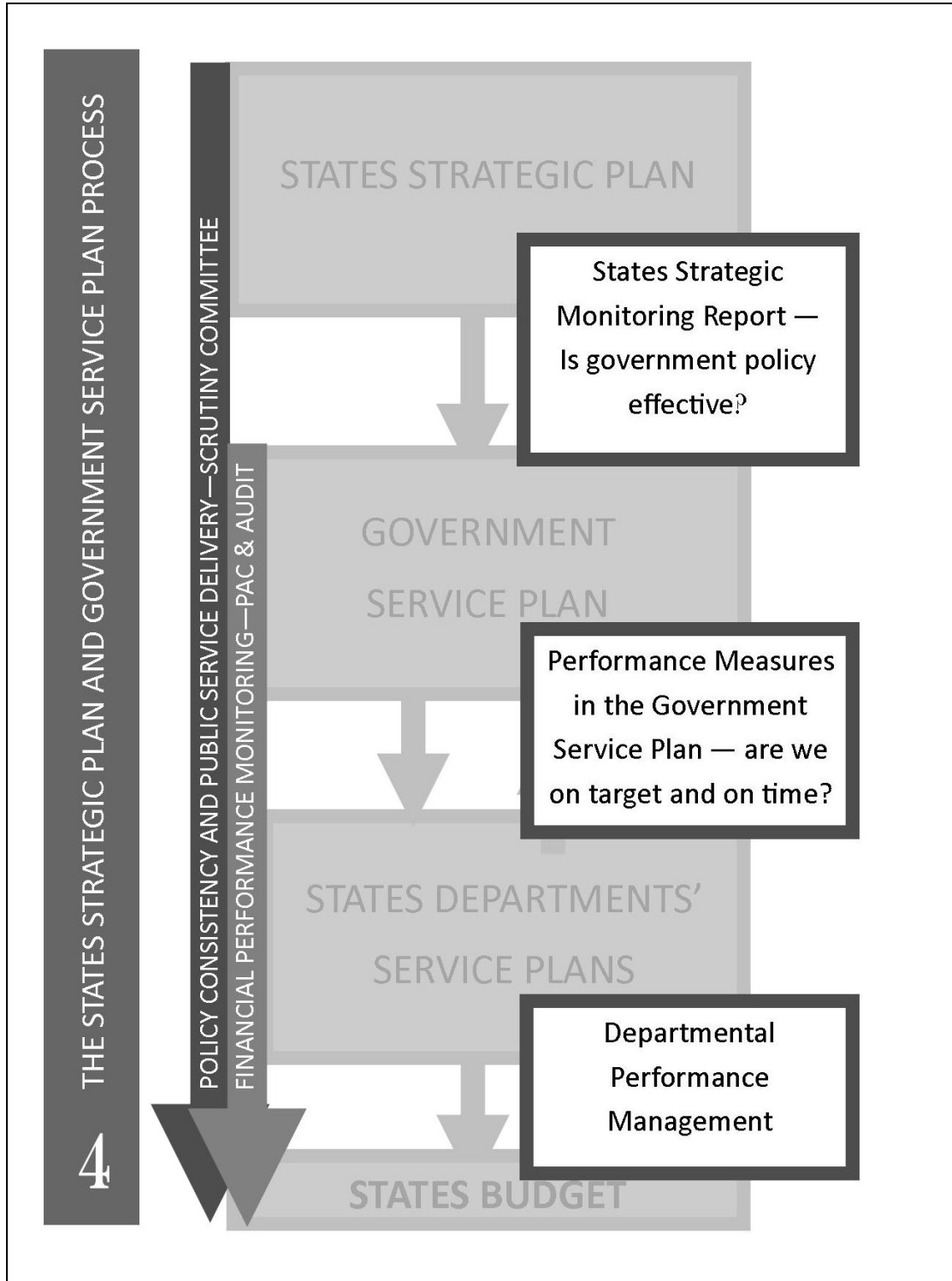
2. THE STATES STRATEGIC PLAN IN MORE DETAIL



3. THE GOVERNMENT SERVICE PLAN AND STATES DEPARTMENTS' SERVICE PLANS IN MORE DETAIL



4. DIFFERENT LEVELS OF MONITORING AND REVIEWING HOW WELL GOVERNMENT IS WORKING



10.2 STATEMENT OF GOVERNMENT VALUES

10.2.1 In 2011 the States adopted the Six Core Principles of Good Governance as determined by the UK Independent Commission on Good Governance in Public Services. These are:

1. Focusing on the organisation's purpose and on outcomes for citizens and service users.
2. Performing effectively in clearly defined functions and roles.
3. Promoting good values for the whole organisation and demonstrating the values of good governance through behaviour.
4. Taking informed, transparent decisions and managing risk.
5. Developing the capacity and capability of the governing body to be effective.
6. Engaging stakeholders and making accountability real.

10.2.2 The States Strategic Plan contributes to the implementation of these principles by:

- Setting out the States Strategic Aims and Objectives.
- Strengthening commitment to shared goals and values across government.
- Providing a framework through the 'family' of related Plans for co-ordinating policy and Island resource management so that government can be more effective.
- Creating a policy context for the Government Service Plan that will enable the States to make better informed decisions about government priorities and financial management in each States Term.
- Engaging extensively with stakeholders in the development of strategic policy.

10.3 STATES AIMS AND GENERAL OBJECTIVES

- 10.3.1 States Members are elected on the basis of their personal statements or manifestos about what they would like government to do. This is different from a system with party politics where the winning party at an election considers that it has a mandate or authority granted by the public to put its manifesto into effect.
- 10.3.2 As politicians do not come into the States with a shared agenda, the SSP is a way of helping them to reach a majority view *after* they are elected about what they want to achieve and to explain this in a public document that they all debate and agree.
- 10.3.3 The SSP provides a sense of direction for non-party government and makes it more accountable for what it says it is going to do.
- 10.3.4 The SSP is a mechanism or a process for decision making but it does not in itself determine what States policies should be. When new States Members are elected they may want to continue with the policies they inherit or they may want to take a new direction.
- 10.3.5 If the States want to bring about a change this means getting agreement amongst a majority of States Members to alter existing government objectives and policies. The SSP approach can then be used to make sure all the plans in the SSP 'family' and, in future, the proposed Government Service Plan are brought into line with the new direction that is being set whether the change is relatively small in scope or a major departure.
- 10.3.6 In this way, the SSP supports political change and makes it effective by ensuring that the whole public sector moves in the same direction.

THE STATEMENT OF AIMS

(For a definition of Aims and other policy terms please see Glossary on page [XI])

The government of Guernsey aims to protect and improve:

- The quality of life of Islanders
- The Island's economic future
- The Island's environment, unique cultural identity and rich heritage

It recognises that this requires:

- Maintenance and enhancement of Guernsey's standing in the global community
- Sustainable economic growth and effective public services without increasing population to the detriment of our environment and way of life
- Conditions that encourage enterprise and successful business
- Wise long-term management of Island resources including the maintenance of a highly-skilled and well-educated workforce
- Efficient transport and communication systems including digital connectivity
- Good governance and public engagement
- Co-ordinated and cost-effective delivery of public services through co-operative working and transformation change management
- Improved awareness of the culture and identity of Guernsey both internally (within the Island) and externally.
- All people having opportunities and support where needed, to enable them to reach their full potential
- Policies which protect the natural environment and its biodiversity by accounting for the wider impacts that human activity has on it.

STATEMENT OF GENERAL OBJECTIVES AND THEMES

Summary sheet of the Fiscal & Economic, Social and Environmental Policy Plan Objectives and Themes

Fiscal & Economic Policy Plan			
Social Policy Plan			
Environmental Policy Plan			
Objectives	Themes	Themes	Themes
General Objectives • Appropriate size of the government and sustainable long term finances and programmes • Balanced, internationally competitive, high value economy • Skilled, sustainable and competitive workforce	Themes • Enabling appropriate levels of future public services based on sustainable funding • Actively encouraging and supporting opportunities for competitive, high-value growth which benefits the Guernsey economy • Investing in people, infrastructure and assets	General Objectives • A social environment and culture where there is active and engaged citizenship • Equality of opportunity, social inclusion and social justice • Individuals taking personal responsibility and adopting healthy lifestyles	Themes • Ensuring sustainability of provision in relation to funding, workforce and the social environment • Working with the third sector • Focusing on prevention rather than reactive crisis management
General Objectives • Climate Change adaptation • Carbon footprint and energy consumption reduction • Land and marine spatial planning and management ensuring countryside, marine and wildlife protection	Themes • Encouraging public engagement and third party participation • Appreciating the strategic and intrinsic value of environmental assets • Promoting a sustainable approach towards the environment	Strategies To be contained within the Government Service Plan	
Strategies To be contained within the Government Service Plan		Strategies To be contained within the Government Service Plan	

10.4 THE CORPORATE POLICY PLANS

10.4.1 The Corporate Policy Plans are key documents within the SSP. There are three plans of equal status:

- Fiscal and Economic Policy Plan
- Social Policy Plan
- Environmental Policy Plan

The statement of General Objectives and Themes is drawn from these plans and these are recommended for States approval as part of the SSP.

All the plans are available in full on the States website at www.gov.gg/ssp

10.4.2 The plans are prepared by sub-groups of the Policy Council with input from the States Departments and other stakeholders involved in the relevant areas of government. The policy sub-groups look at policy from a corporate States-wide perspective to see where co-ordinated working between Departments and with other non-government agencies is needed to get the best results. States Departments are also encouraged to discuss policy matters and co-operate with each other individually.

10.4.3 The following summaries describe major challenges that Guernsey faces looking forward over the medium to long term and the current strategies for dealing with them as presently contained in the Corporate Policy Plans. The summaries also highlight the connections and conflicts between areas of policy and the need for government to find ways of dealing with this complexity. This is particularly illustrated by the inter-related nature of Fiscal and Economic and Social Policy.

10.4.4 In 2014 the Policy Council envisages that the States will be asked, through the Government Service Plan, to determine their priorities in the 2013 - 2017 period for pursuing these strategies. Once the GSP has been adopted by the States the Corporate Policy Plans will be amended accordingly and presented for States approval.

10.4.5 At that point, the line of authority from the States Aims, General Objectives and Themes through the Corporate Policy Plans to the Government Service Plan will be complete.

THE FISCAL AND ECONOMIC POLICY PLAN

Introduction

- 10.4.6 The purpose of the Fiscal and Economic Policy Plan is to bring together thinking about the global and local economies and the fiscal policies necessary to safeguard public finances.
- 10.4.7 The area covered by the plan includes taxation, economic development and public finances. The plan has a strong relationship with the States Budget which is prepared by the Treasury and Resources Department.
- 10.4.8 To date, the plan has been based on a number of working assumptions which the States have agreed:
- “Sustainable growth is desirable and is to be pursued as a means of increasing the standard of living of Guernsey’s residents and providing tax revenues to fund ever increasing demands for public services, in particular education, health and law and order
 - The principle that the private sector is the engine of economic growth
 - The public sector’s role is to provide the necessary competitive fiscal and macroeconomic environment to enable the private sector to flourish
 - Fiscal policy’s prime objective is to promote long-term economic growth
 - The maintenance of a competitive position for Guernsey is an imperative (*necessity*) for future economic success”.

Challenges

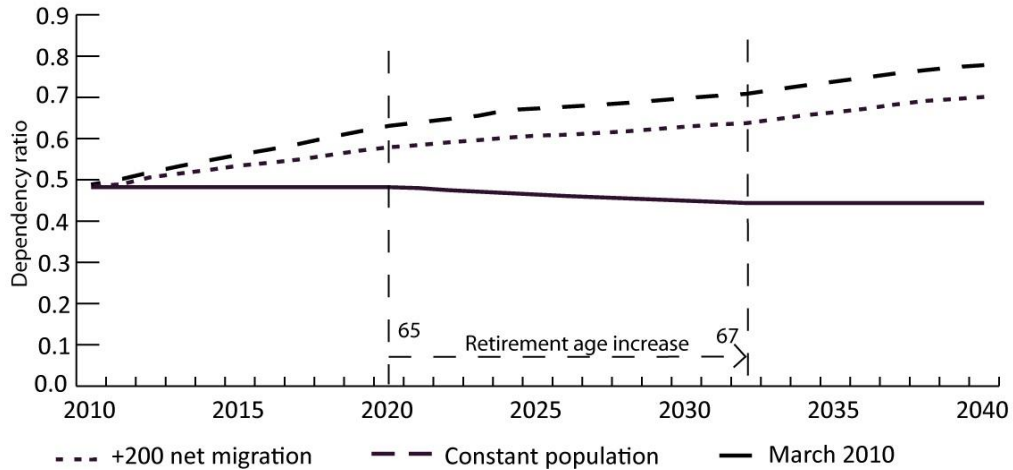
Long-Term spending pressures

Why this is important for the future of Guernsey

- 10.4.9 In the short-term the States attention is on the structural budget deficit and the measures necessary to bring public finances back into balance. Assuming, however, that this is achieved within the next few years as planned through the Financial Transformation Programme and/or other efficiency measures, the Island still faces serious spending pressures during the period to 2040.

- 10.4.10 First, demographic projections show that Guernsey has a similar ageing population profile to other western European jurisdictions. This is illustrated in the graph below.

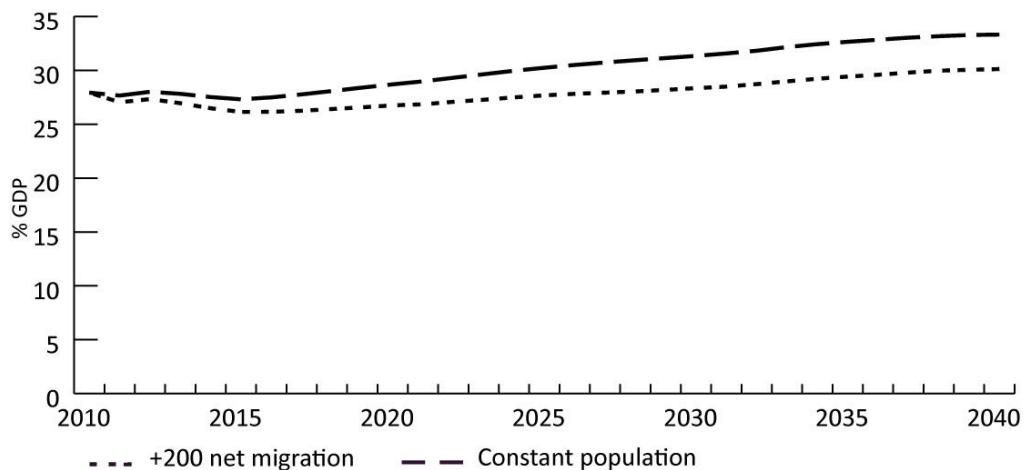
Demographic Projections



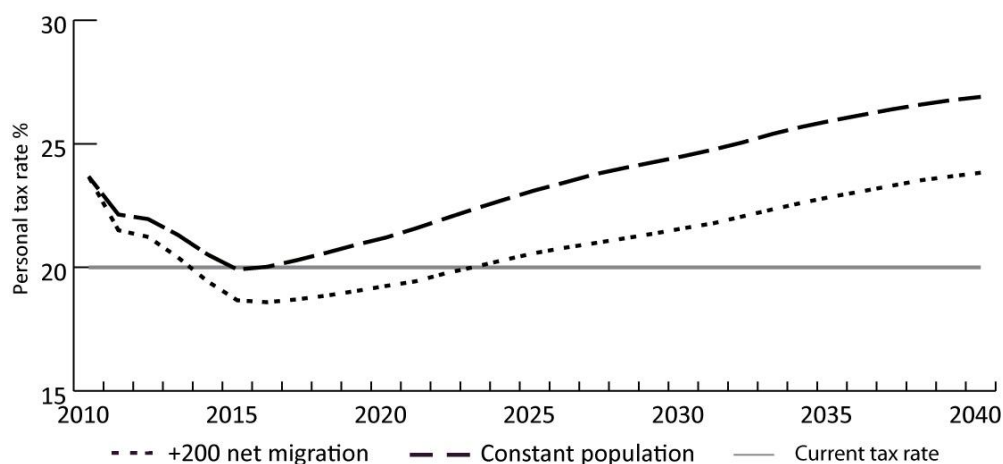
The line representing the population as at March 2010 projected to 2040 shows a small reduction in the Dependency Ratio (see Glossary) as a result of an increase in pension age during the period.

- 10.4.11 Secondly, projections of States aggregate expenditure over the same period and the relationship of spending to income from taxation show a widening long-term gap opening up.

Public Spending Projections (aggregate)



Implied Fiscal Balance Tax Rates (current projections)



10.4.12 The rising costs are mainly a consequence of the ageing population and the estimated cost of having fewer economically active younger people meeting the support needs of more older people. Policy Council projections show that increasing costs will be mainly in the areas of health and social services (45%); Guernsey Health and Social Fund (15%); and other social security expenditure (40%).

10.4.13 The three graphs above are based on current spending and projected population levels as explained in greater detail in the Policy Council's report – 'Potential long-term implications of demographic change on the demand for, and costs of, public services' – March 2012. See States website <http://www.gov.gg/ssp>

What is already being done to address it?

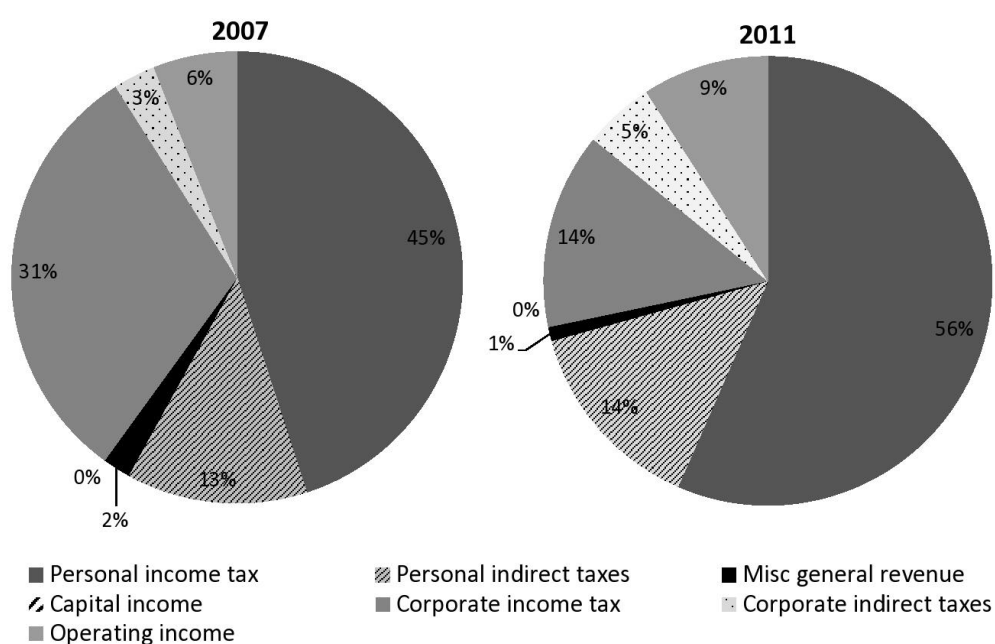
10.4.14 The States are already taking action to make the public sector more efficient so that the cost of providing services is controlled but this will not prevent the population from ageing or costs rising especially in health and social welfare.

10.4.15 The Fiscal and Economic Policy Group and the Policy Council as a whole believe that an effective strategy needs to be put in place during this States Term to reconcile Fiscal and Economic and Social policies. This will involve key debates on the review of current population policy, the review of personal taxation and benefits and the vision for the future of Health and Social Services.

Connections and conflicts with other policy areas

- 10.4.16 As indicated above, Fiscal and Economic Policy (how we generate public revenues), and Social Policy (how we spend the majority of that income) are directly and crucially linked. They are, in effect, two sides of the same coin.
- 10.4.17 What government wishes to provide in terms of public services and especially health care and social welfare determines what it needs to raise from all forms of revenue. Equally, however, that decision impacts on all aspects of the local economy including the viability of the private sector as 'the engine of economic growth'.
- 10.4.18 Until the corporate tax regime was revised any tension in this relationship was masked by a surplus of revenue contributed by companies rather than individual tax payers. Islanders were not particularly aware of, or concerned about, the cost of providing local public services and welfare because the burden was much alleviated by the level of corporate tax revenue.

Post zero/10 income shift in burden of public revenues



- 10.4.19 The impact of having an ageing population may be mitigated in many different ways by redesigning service provision as is explained in the following section on Social Policy challenges in this report. There will, however, also be a need to reconsider and, if necessary, revise current States policy to restrict population size to 2007 levels (a level already breached) as part of an overall strategic approach.

Generating Economic Growth – An Economic Development Strategy

Why this is important for the future of Guernsey

- 10.4.20 Guernsey faces similar economic issues to other western economies but because it has financial reserves and no debts from external borrowing these issues are less acute than elsewhere. The local economy has also weathered the global economic crisis *relatively* well so far. Nonetheless, Guernsey will continue to be affected by continuing global uncertainty and particular pressures on the financial services sector which is the Island's largest employer and income generator.
- 10.4.21 80% of growth in Guernsey's Gross Domestic Product has been generated by financial services during the last two decades. The tax system now requires high personal incomes to fund public services and finance sector salaries contribute most but the fragility of over-dependence on one industry has also been a matter of concern for many years.

What is already being done to address it?

- 10.4.22 In the past, the Fiscal and Economic Plan has concentrated on taxation and fiscal management and has followed a passive approach to economic policy whereby the objectives focused on achieving the right conditions for growth and allowing the private sector to generate wealth. The Policy Council acknowledges that going forward a more proactive approach to economic development, whereby specific development is supported and 'nudged' along preferred lines, may be more appropriate in the post 2008-2012 global economy and thus, an Economic Development Strategy is being developed.
- 10.4.23 In March 2012 the Fiscal and Economic Policy Group in partnership with the Department of Commerce and Employment published an Oxford Economics Report about a possible direction for an Economic Development Strategy. A further consultation document 'Growing Guernsey's Economy in a Competitive Environment' was subsequently published as a basis for consultation, including public consultation, and a strategy is now under development.

Connections and conflicts with other policy areas

- 10.4.24 The potential opportunities for facilitating economic development identified in the 'Growing Guernsey's Economy' document include action to:
- Ensure an internationally competitive ICT infrastructure

- Improve the co-ordination of commercial marketing and investment promotion messages
- Finalise and implement an Island-wide skills strategy
- Optimise the commercial property 'offer' (ie. the commercial property that is available on the Island) to encourage business growth and investment
- Improve the co-ordination of enterprise and business development support
- Maximise the size of the economically contributing population to reduce fiscal pressures
- Diversify key trading markets towards emerging economies, in finance and beyond
- Lightly support the continued growth of financial and professional services as the primary economic engine
- Promote sustainability and environmental efficiency at all levels
- Grow value in the tourism sector, focusing on up-market growth segments and new markets
- Enhance the retail offer for the benefit of locals and visitors
- Promote a thriving creative and digital sector showcasing the best of Guernsey, old and new
- Explore, develop and promote a competitive medical tourism offer
- Investigate the commercialisation of ports
- Develop air and sea routes
- Invest in infrastructure
- Co-operate with Jersey where appropriate
- Support small businesses and specific sectors of business
- Promote Intellectual Property Rights.

10.4.25 Initiatives that are taken forward from this extensive list are likely to affect policy across the span of government including the Social and Environmental Policy Plans and all four Island Resource Plans. Sometimes there will be tensions and conflicts between achieving economic growth and other States objectives and a balance of advantages and disadvantages will have to be determined in each case.

10.4.26 In addition, there are some important questions to be answered if Guernsey is to achieve a 'broadly balanced economy':

- Is Guernsey prepared to try to increase the pool of labour to work in new or expanded businesses? Measures to achieve this might include:
 - Longer working lives
 - Immigration
 - More female participation

- How many industries do we have the 'critical mass' to sustain?
- Would a move involving fewer jobs in finance and more in other business activities reduce aggregate incomes and tax income?

THE SOCIAL POLICY PLAN

Introduction

- 10.4.27 The purpose of the Social Policy Plan is to assist the States to develop and deliver services for people to meet their needs for welfare and wellbeing.
- 10.4.28 The area covered by the plan includes health; social care; benefits; housing; employment; equality; education and security. The cost of providing government services in these areas takes up the largest proportion of the States Budget.

Challenges

- 10.4.29 There are many social policy challenges for government to overcome in achieving medium to long-term objectives. This report focuses on 4 key issues, in particular:
- Shifting to preventative measures
 - Availability of funding
 - The ageing population
 - Working better with the third sector

Preventative Measures

Why this is important for the future of Guernsey

- 10.4.30 Prevention should be key rather than focusing solely on reactive crisis management. By providing people with pathways out of poverty, criminal activity, unhealthy lifestyles and preventing exclusion from education and society in general - and more importantly, by preventing such situations arising in the first place - then the quality of life will improve for all Islanders.
- 10.4.31 Furthermore, it is anticipated that the demand for, and the cost of, crisis and acute interventions will be less than would otherwise be the case without such preventative measures being put in place. The Social Policy Group considers that it would be achieving the aims of the Social Policy Plan if poor outcomes for individuals and society in general were reduced or prevented and if positive outcomes were promoted. This agenda for change can be best explained succinctly in the following table:

	Promote positive outcomes	Prevent poor outcomes
For individuals	Social inclusion Economic independence Opportunity and choice Mutual support Independence and personal responsibility Healthy lifestyles Good educational outcomes Safety and security	Poverty Unemployment Criminal activity Unhealthy lifestyles Low educational outcomes Low self esteem and poor wellbeing Homelessness Social exclusion Addiction
For society	Equality Recognition of diversity and difference Protection and support for vulnerable people Positive risk-taking Safe and healthy environments and communities Good citizen engagement	Inequality Lack of educational and other opportunities Unsafe communities and environments Lack of safeguards for vulnerable people Unhealthy and unsupportive communities Poor citizen engagement

What is already being done to address it?

- 10.4.32 While there has been a growing acknowledgement throughout the States that prevention is best – evidenced in reports such as the 2020 Vision for Health and Social Care and the Criminal Justice Strategy – the practical application of such an approach has been sporadic, and requires further development and co-ordination.
- 10.4.33 The Social Policy Group has yet to consider how to do this in detail but, to illustrate the value of such an approach, evidence suggests that preventative spending programmes, when targeted at the early years (0-3) age group, are some of the most effective in delivering long-term savings. Studies indicate that for every £1 spent on early years’ education, you must spend £7 to have the same impact in adolescence (Preventative Spending, Northern Ireland Assembly, January 2011).

- 10.4.34 At the other end of the age scale, a further example is the work being undertaken by Housing and Health and Social Services to enable people to maintain their independence through the availability of appropriate accommodation with social care support. This is intended to reduce the number of people entering into more expensive residential care.
- 10.4.35 The Social Policy Group is also very aware that a relatively small number of families and individuals require a disproportionate amount of resources to be devoted to them across the States, primarily in a reactive way. There is now a growing realisation that a more co-ordinated and focused attempt proactively to address their issues has the potential to reduce this expenditure significantly; and there have been a number of notable success stories elsewhere where such a preventative approach has been taken.
- 10.4.36 If services can be more focused on preventative measures not only will they be delivered more cost-effectively, but by addressing the causes not just the symptoms of problems they will also, in the long-term, reduce spending where acute interventions are required.

Connections and conflicts

- 10.4.37 In advocating a preventative approach, it needs to be understood that prevention strategies tend to be long-term and results are unlikely to be seen in the life of a single States. Measuring the effectiveness and efficiency of preventative spending can also be difficult given that:

- *“Preventative measures are not 100% effective;*
- *Social outcomes are insufficiently recorded;*
- *Other influences may add or detract from a campaign’s effectiveness;*
- *External benefits are often gained by others indirectly; and*
- *Benefits may be unquantifiable.”* (Preventative Spending, Northern Ireland Assembly, January 2011)

Tools to measure the impact of such spending, as well as the impact of potential cuts to public services will, therefore, need to be adopted or developed.

- 10.4.38 In putting forward this vision for the future regarding prevention, the Social Policy Group wishes to stress that its achievement is neither a simple nor quick task. It represents a major shift in culture and service delivery that can only be achieved by taking a long-term view. Furthermore, it will require much more effective collaborative working across Departments at both political and staff level than the States have hitherto achieved.

- 10.4.39 One further word of caution: whatever can be done to address spending by putting more emphasis on preventative measures, it would be unrealistic, given the significant ageing of the population forecast over the next 30 years, for the overall cost of social policy to be reduced in real terms. There does need to be a policy debate on how these costs are met in future, whether through universal taxation, social insurance contributions or by the individual. The Social Policy Group firmly believes that by refocusing on prevention and better co-ordination, future costs overall will be significantly less than if the States continued to provide services as they do today.
- 10.4.40 Finally, the voluntary and community sector is often in a better position to help with prevention and to reach people who might be socially excluded, marginalised or wary of public services. The Social Policy Group, therefore, considers it important to establish, maintain and develop a good working relationship with the so-called 'third sector' at both a strategic and operational level. However, it needs to be understood that this is a substantial project in its own right and will need to be resourced accordingly.

Availability of funding

Why this is important for the future of Guernsey

- 10.4.41 Crucial to the development of social policy is the availability of funding, as most social policy initiatives are about the provision of services to people who have needs of some sort. They also tend to be delivered personally by trained individuals, making them labour-intensive to provide.
- 10.4.42 As a consequence, it is fact that those Departments that address social policy issues are the biggest States' spenders. Budget reductions and/or caps on public spending in these areas are therefore the most likely to have the greatest impact on Islanders.
- 10.4.43 From the Fiscal and Economic Plan, the maintenance of a competitive position for Guernsey is an essential for future economic success. Due to this, funding is both a short term imperative and a long term issue. In the short term work is being undertaken in all Departments on the Financial Transformation Programme to enable the structural deficit to be reduced and brought back into balance.
- 10.4.44 With the changing fiscal climate, an increased tension and polarisation of political views developed between the need to maintain spending constraints to restore the States' budget to fiscal balance, and the imperatives of meeting the health and social welfare needs of Islanders and ensuring their safety and security.

- 10.4.45 The Social Policy Group regards this polarisation of views as unhelpful and too narrow. There is a middle course whereby money spent on social policy can be appropriately focused to maximise the return on investment, and at the same time recognise the fiscal policy requirements of the Island. This approach would enable the fiscal policy process to take into account the potential impact of fiscal policy options on the social policy agenda.
- 10.4.46 While it is a truism that the States' ability to develop public services and provide social protection to all Islanders has been enhanced by a competitive position in the global market, it is equally true that tax or contribution increases to fund new health or social services has the potential to erode that competitive position.
- 10.4.47 It is, therefore, self-evident that Fiscal Policy and Social Policy need to be considered in tandem and not in isolation, in order that the impacts of any policy measures can be understood fully prior to their promotion and implementation.

What is already being done to address it?

- 10.4.48 The need for a closer working relationship between the two Policy Council Sub-Groups has been identified and changes made to the Groups early in this States term.
- 10.4.49 By focusing on prevention, the Social Policy Group seeks to demonstrate that it wishes to apply the Fiscal Policy objectives as best it is able.
- 10.4.50 Consideration is also being given to how to measure the returns on investment in the areas of social policy and prioritisation of change programmes.

Connections and conflicts

- 10.4.51 These have been referred to above.

The Ageing Population

Why this is important for the future of Guernsey

- 10.4.52 It is good news that the strides in health and social policy mean that most Islanders are likely to live longer than their parents and grandparents, and to maintain active healthier lives for longer than previous generations.

- 10.4.53 However, this presents the Island with a significant challenge, as it can be predicted with some certainty that there will be more people over pension age and fewer people of working age in the decades to come. There will also be fewer children of school age. The longer term challenge therefore relates to the increased demand on services and the worsening dependency ratio that the changing demographic projections indicate.
- 10.4.54 The dependency ratio is the proportion of people who are either younger or older than the working age, compared with the number of people of working age.
- 10.4.55 The dependency ratio projections for Guernsey and Alderney show the dependency ratios moving from the current level of 0.48 or 48 dependant people for every 100 working age people to 0.78 by 2040, if the population is kept constant or 0.70 if there is +200 net migration. This is illustrated by the relevant graph in the Fiscal and Economic challenges section of this Plan.
- 10.4.56 That this ageing of the population is factored into Fiscal and Social Policy is vitally important for the future of Guernsey, as people tend to use health and social care services more as they become older and there will be fewer people earning money to pay for these services or to be employed in them. This comes at a time when there is less money available to fund public services.
- 10.4.57 The sustainability of current services and the affordability of any new services therefore need to be addressed in planning for the future.

What is already being done to address it?

- 10.4.58 The Policy and Research Unit of the Policy Council has provided models showing the potential implications of demographic change on the demand for, and cost of, public services. The data used in the models can now be used to look at different scenarios.
- 10.4.59 In March 2012 the Policy and Research Unit of the Policy Council published a report on the Potential Long Term Implications of Demographic and Population Change on the Demand for and Cost of Public Services available at www.gov.gg/government and Administration/States Strategic Plan/Fiscal & Economic Policy Plan/Reports. The report stated:

“What is apparent from the projections is that either revenue must rise as a share of GDP, or projected spending must fall—or some combination of the two outcomes must be achieved to ensure the States remains in balance in the projected period.”

- 10.4.60 Health and Social Services have also used the Policy and Research Unit figures, with the help of the King's Fund, to look at preventative spend and future requirements. The King's Fund is an independent charitable organisation that works to improve health care in the UK by providing research and health policy analysis.
- 10.4.61 The Social Security Department has previously brought a report to the States on the Pension Puzzle, the resolution of which, at the time of writing, is awaiting the result of the review of Guernsey's taxation strategy.
- 10.4.62 Sustainable funding of other Social Security benefits such as Long-term Care is also being considered as part of work on the Supported Living and Ageing Well Strategy. This will use the work already undertaken by the Funding of Long-term Care Working Party. However, the key to mitigating the cost implications of an ageing population is to redesign service provision so that people's needs are met earlier or their incidence avoided; which will also be taken forward under the auspices of the Supported Living and Ageing Well Strategy.

Connections and conflicts

- 10.4.63 Guernsey's projected demographic changes are by no means unique, but rather reflect those of most of the Western world. However, there is both an opportunity and a challenge to ensure that we are best prepared to mitigate any adverse financial effects of these demographic changes.
- 10.4.64 In this context, links between an ageing population and States' policy to limit overall population numbers also need to be further explored.
- 10.4.65 There is a danger in looking at the ageing population negatively due to the potential costs of services. Living longer, being active for longer and enjoying being included in our community, should all be celebrated as successes of our society and older people's contributions should be valued, welcomed and recognised.

Third Sector

Why this is important for the future of Guernsey

- 10.4.66 The third sector refers to organisations which are charitable, voluntary and not for profit and may include service providers, lobby groups, health groups, sports clubs, faith groups etc and may be large multi-national organisations or small one person organisations. They form a large sector in the Islands that has largely not been fully engaged with when developing

strategy and policy or services or when implementing operational changes by the States.

- 10.4.67 If Departments can work together on common issues, there is far more opportunity to ensure the use of limited resources is optimised and more effective outcomes will be achieved. If those co-ordinated Departments can then work with businesses, third sector/voluntary organisations and individuals then even greater improvements can be made for the whole population.
- 10.4.68 By working with the third sector the States will be able to better identify and meet the needs of Islanders. So we can develop services to better meet the needs of individuals, they, their representatives through third sector organisations and other interested parties need to be involved early at the strategic development stage rather than being offered a fait accompli.
- 10.4.69 The third sector is also better able to reach some vulnerable groups than the business sector and the States. It is therefore important when trying to improve social inclusion, equality of opportunity, social justice and healthy lifestyles to work with these organisations.

What is already being done to address it?

- 10.4.70 A Third Sector Steering Group has been formed to look at improving communication and understanding between the third sector and the States and to develop the relationship between government, charities, voluntary sector, not for profit organisations and the business sector.
- 10.4.71 Individual areas of good working relationships with the States and third sector organisations such as seen in the domestic abuse strategy, the drug and alcohol strategy and in developing the disability and inclusion strategy are being examined so that lessons learnt can be transferred to other areas.
- 10.4.72 To enable better working together information may need to be shared with individuals or between organisations or Departments. This would be, for example, to enable a person or family centred approach to working regardless of the organisation someone works for. This would assist with the removal of barriers to helping the most vulnerable in society but would be proportionate to the identified risks. In many instances different departments and organisations are working with the same individuals but are not aware of each others' work. By reducing the potential for duplication savings might be made and more individuals and families provided with a service. Work is therefore being initiated to look at protocols for sharing information and planning for different working relationships under the review of the Children and Young People's Plan.

Connections and conflicts

- 10.4.73 Third sector organisations are set up for a number of reasons some of which may be to lobby the government and others for reasons that are not aligned to the States strategic direction. Part of the value in developing a relationship with these organisations is to obtain different world views but there is a danger in working closely with these organisations that this view is diluted or alternatively that the aims are so divergent between groups that there is no consensus.
- 10.4.74 There is also a danger that, as the States is a large risk averse organisation, it tries to change third sector organisations to be more like it. This may be even more evident where the funding of a third sector organisation is mainly through the States and the advantages of using the third sector organisation might then become eroded. There may also be conflict where it is perceived that services are being shifted onto third sector organisations. The roles and responsibilities of all sectors therefore need clarity.

THE ENVIRONMENTAL POLICY PLAN

Introduction

- 10.4.75 The stated aim of the Environmental Policy Plan is to ensure that consideration of the environment will be core to all policy decisions; that the quality of the environment will be protected and enhanced; and that the Island will respond in an environmentally sustainable way to local issues and global challenges.
- 10.4.76 The area covered by the plan includes the natural and built environment; natural resources; environmental hazards and pollution; biodiversity; waste management and traffic management.

Traffic Management

Why this is important for Guernsey

- 10.4.77 Traffic is one of the most immediate and visible environmental issues facing Guernsey. It is one of the major contributors to carbon emissions, it has recordable impacts on localised pockets of air quality, it presents major land take issues, it is probably the key contributor to background noise in many parts of Guernsey and it has significant visual/landscape impacts. Against this Guernsey still trades on its image of unspoilt tranquillity. Vehicle ownership is an outward sign of Guernsey's prosperity, it is a significant employment sector; significant parts of the community rely on private vehicle ownership to undertake their day to day activities; industry and commerce rely not only on the use of vehicles but also on the unhindered circulation of vehicles to meet their business needs.
- 10.4.78 Arguments against using the bus (which would reduce private vehicle movements) are based on a failure of the services to operate according to the published timetable and yet the delays are nearly always the result of traffic congestion. Motorists are frustrated at road closures and traffic delays but the wear and tear on the roads is a direct result of traffic volume. The situation beneath ground is little different with utility services and other key strategic facilities fighting for space and the constant need for service repairs, improvements and developments necessitating an almost constant programme of planned road closures and consequent diversions and delays. Parents consider the roads too dangerous for their children to walk or cycle on and with little opportunity to significantly improve or enhance facilities for vulnerable road users within the confines of such restricted availability it is no surprise that people choose to drive thus adding to the traffic volumes. Many see the real problem as being the fact that Guernsey people are unhappy with the prevalence of vehicles and traffic but not so unhappy as to

want to reduce their own reliance on private vehicle use in order to address the problem.

What is already being done to address this?

- 10.4.79 A politically led working party has been set up to take this work area forward. The group is currently consulting with stakeholders and collating and capturing statistics and other evidence. Early in 2013 an island wide consultation on the issues to be addressed will be conducted leading to the presentation of a revised on-island transport strategy to the States.

Connections and conflicts with other policy areas

- 10.4.80 As indicated above vehicle use has connections with other environmental policies concerning, land take, carbon emissions, pollution etc. The associated infrastructure (roads, junctions, garages) presents connections and conflicts with land use policies. Planning policies which seek to minimise the land take and visual impact of wide roads and junctions do not sit comfortably with traffic management policies which seek to safely increase traffic flow and visibility.
- 10.4.81 Conversely planning policies which seek to develop communities (village centres) where the need to travel to the main commercial centres is reduced may lead to reduced vehicle ownership and use. However, whether the small size of Guernsey and associated short travelling times along with the years of ribbon development militates against such benefits remains uncertain.
- 10.4.82 Traffic management also presents connections and conflicts with social policy. Where social policy considers car ownership as a basic requirement, where schools are designed for parental pick up and drop off, where equality of access is used as an argument against pedestrianisation and requires disabled parking located adjacent to businesses and homes and where safety is used as an argument to move children from bicycles and motorbikes into cars, then expectations for private vehicle use will remain very high. Conversely social policy that seeks to address obesity through exercise can help deliver the aim of reducing traffic.
- 10.4.83 Traffic management comes at a considerable cost in terms of signs, lines and junction infrastructure. Engineering standards currently demand ever increasing rigor in traffic management and this has consequential economic costs. At the same time delays and congestion in the movement of vehicles and goods or layers of regulations to control such movements carries economic costs to Guernsey's industry.

Coastal Defence

Why this is important for Guernsey

- 10.4.84 The undeveloped “coastal fringe” in Guernsey is exceptionally narrow. Immediately behind the natural and manmade coastal defences lies a main arterial route, significant residential and commercial developments, key infrastructure including pumping stations and areas of important biodiversity and historic interest. The natural defences are under constant threat due to erosion not only from the sea and weather but also from recreation and other land based activities whilst the man made defences are largely of an age where significant intervention is required.
- 10.4.85 Ongoing annual maintenance is not prohibitively expensive (circa £55,000 per annum) but this minimal spend is only possible as a result of major capital financing on a project by project basis and capital spend is forecast to increase exponentially in future years solely to maintain the integrity of the defences to current conditions. If the defences are to be engineered for future possible weather and tidal conditions then additional costs will be incurred.
- 10.4.86 Managing this spend requires high level policy decisions to be taken in respect of the nature and purpose of the defences. For example some manmade defences may be unnecessary if natural defences were allowed to develop (sand dunes can be encouraged to establish if assisted by fencing, even in the form of recycled Christmas trees, rather than replacement with concrete and boulders). Realigning areas of coastal road may allow reduced expenditure on some defences. Land reclamation may generate useable land whilst at the same time funding and creating the defences in the area in question. Private development opportunities can be linked to coastal defence development and/or local flooding controls. Beach replenishment which is often seen as an attractive option in cost terms presents significant risks in respect of invasive and foreign species and hence biodiversity loss.
- 10.4.87 Planning maintenance and repair of coastal defences requires consideration of the current and possible future sea and weather conditions.

What is already being done to address this?

- 10.4.88 Two major coastal defence studies have been carried out which have highlighted key areas for action. Decisions in respect of those areas are largely dependent on the flooding risk and hence flood studies have also been carried out and the resultant report was released for consultation during late summer 2012. The necessary coastal defence works are

currently being prioritised prior to a strategy document being submitted to the States for debate.

Connections and conflicts with other policy areas

- 10.4.89 Coastal defence management links directly with land planning policies, landscape concerns, heritage issues and biodiversity management. It also links directly with economic policies and potentially presents one of the major capital spend areas for the States over the next 20 years. The demand for capital in respect of social policy infrastructure (schools and hospitals) and infrastructure directly required to support economic growth (harbours, cranes and airports) has, to date, meant that coastal defence has been treated not as a strategic area of managed investment but rather as project by project department led capital spend.

Waste

Why this is important for Guernsey

- 10.4.90 Waste – both liquid and solid – is, by definition, a pollutant and if not handled correctly can have serious environmental and health consequences. But waste can also be a resource provided the methods used to extract that resource are not themselves so resource hungry as to create a net energy loss. Sustainable resource use is a key environmental objective.
- 10.4.91 In the local context, the years of “reclaiming” land from quarries by infilling with waste are now over and other methods for waste handling are required. Similarly liquid waste management, even without biological treatment, generates solids and sludges which then contribute to the solid waste problem. The more intensive the liquid waste treatment then, generally speaking, the greater the volume of solid waste generated. All waste management processes have environmental impacts. Land take for the processing facilities, carbon emissions and significant energy demands from concrete and steel manufacturing, energy use in construction and operation of the facilities. Impacts on landscape and emissions to land, water and air are all factors to be balanced in the process decision.

What is already being done to address this?

- 10.4.92 The States debated the future liquid waste strategy in February 2012 and resolved to proceed with the design of a replacement long sea outfall including diffusers in order to achieve the required environmental standards.

- 10.4.93 The States debated the solid waste strategy in February 2012 and resolved to support a target of 70% recycling by 2025 with investigation of export of residual waste. Work is continuing to secure robust contracts for the export of waste whilst at the same time a number of initiatives to enhance the recycling experience and increase the capture rate of recyclates are being introduced.

Connections and conflicts with other policy areas

- 10.4.94 Waste policy connects with land and social policies. Strategies that require major recycling participation places high demands on space at localised and central depots as well as within the home. The collected recyclates require processing prior to export. These demands impact on land use and future residential and commercial development standards. Whilst undoubtedly a fairer system than the current one, policies that encompass “pay as you throw” tariffs or fines for not recycling have been connected to increases in fly tipping, uncontrolled burning and “bin wars”. At the same time a social commitment to reuse and recycling can foster community initiatives often linked to charitable undertakings and schemes to help get people back to work. The future costs of waste treatment involving recycling and export are anticipated to be significantly higher than current disposal costs and hence have social and economic impacts.

Land Use

Why this is important for Guernsey

- 10.4.95 Whilst a significant percentage of land in Guernsey remains undeveloped the restricted size of the island and ribbon development means that open spaces are at a premium. Against this it is known that additional land is needed for housing and there are continuous calls for more land for industry. Land is also required for recreational use, traffic and parking, commerce, agriculture and horticulture. Guernsey’s developing demographic demands additional and different types of construction not all of which can be accommodated on brown field sites. The desire to lessen the burden in the developed urban area and to create village centres requires careful planning to maximise the benefits without damaging the rural areas.

What is already being done to address this?

- 10.4.96 In 2011 the States approved a new Strategic Land Use Plan and this is now being translated into detailed development plans which will provide the policy base for development over the next decade.

Connections and conflicts with other policy areas

- 10.4.97 Several links between land use and other areas of environmental policy have already been referred to above. Loss of land for development impacts on the Island's biodiversity and reduces what remains of the open landscape character. Denser development especially in the urban area has contributed to traffic congestion and hence traffic pollution in localised areas. Social policy links are also clearly apparent. Development that uses height to minimise foot print impacts on landscape and character. Denser development reduces open spaces and can impact on separation/privacy between units. New forms of development using prefabricated elements increases shipping demands and moves the skills from self employed labourers towards larger firms with heavy lifting equipment. The economic links are also clear as the ability to expand and diversify Guernsey's economy without additional land take is severely limited.

Biodiversity

Why this is important for Guernsey

- 10.4.08 The developed world is moving towards an ecosystem approach. This approach seeks to identify how habitats and species (biodiversity) interrelate including their interrelation with mankind. Such an approach recognises the interdependency of living things. The integrated management of land, water and living resources to promote conservation and sustainable use is an underlying element of important international agreements notably the Convention on Biological Diversity. Guernsey is, of course, part of a wider ecosystem. We are reliant on the health of our seas for food, recreation and income. We are reliant on insects and birds to pollinate crops and those same insects and birds are reliant on quality habitats and uninterrupted food chains which then rely on clean air and water. Tourism and other economies benefit from healthy ecosystems and ecosystems provide us with the open spaces to meet our social and recreational needs.

What is already being done to address this?

- 10.4.99 During 2011 a study of Guernsey's habitats was carried out. Similar studies looked at the land availability in respect of farming. The reports indicate a loss in some habitats with other habitats of less biodiversity value (scrub) increasing. Management plans to prevent further loss are being developed but can only be limited to land under States control. Voluntary organisations work to promote the importance of habitats and species protection and work is in progress to develop a biodiversity strategy. Investigations have been carried out in respect of extending the UK's ratification of the Biodiversity Convention to Guernsey. A politically led working group is

bringing the above work streams together with the intention of developing a biodiversity strategy which in turn will enable extension of the UK's signatory to the convention.

Connections and conflicts with other policy areas

- 10.4.100 The economic value of ecosystems has been referred to above. Biodiversity and ecosystems respond to adverse intervention which is, in the main, associated with land use competition. The conversion of agricultural land to land for "horsiculture" (i.e. the keeping and grazing of horses), dramatically changes the biodiversity in those fields. The loss of agricultural land to temporary glasshouse developed horticultural land and hence to permanent industry removes grasslands and hence impacts on biodiversity. Social policy links also exist. Lack of awareness along with a desire to make use of the natural reserves around the Island is also a contributory factor. For example, noticeable changes to the numbers of breeding sea birds and a reduction in the success of their breeding has been recorded over recent years. Such changes coincide with increased recreational activities in close proximity to nesting areas but there may be other factors at play in this reduction in biodiversity. Walking over sand dunes rapidly damages the fine roots of the Marram grasses destabilising the dunes and hence undermining the natural coastal defence integrity. The desire to cut coastal grasses short and the desire to clean beaches of seaweed to facilitate picnicking and recreation etc removes habitats and biodiversity.

Energy (Environmental Perspective)

Why this is important for Guernsey

- 10.4.101 We are totally reliant on the use of energy in all its forms from the basics of heat and light to transportation and industry, it is all too easy to take the harnessing of energy for granted. Ensuring the future supply of clean, reliable and sustainable energy and fuel is of paramount importance. Guernsey, like the rest of the developed world is an enthusiastic user of oil, gas and electricity – all of which are derived from imported material from often politically unstable parts of the world and all suffering rapid and erratic rises in cost.
- 10.4.102 Needless to say a big reduction in the use of energy would have a detrimental effect on Island life. However, reliance on fossil fuels, which are a depleting and polluting resource, is not sustainable and there is a clear need to move towards a cleaner more sustainable energy platform.

What is already being done to address this?

- 10.4.103 The Energy Resource Plan was approved by the States in February 2012 and this will now be taken into account by the other Island Resource Plans (Strategic Land Use, Infrastructure and Population) and more detailed policy documents of the States. (See next section of Plan).
- 10.4.104 Much has been done to put in place the necessary administrative and legislative procedures and arrangements to facilitate the development of systems that will capture marine macro- tidal energy in Guernsey at the appropriate time. In January 2012 the Commerce and Employment Department's Renewable Energy Team (RET) published its long term vision and strategy for marine macro renewable energy (offshore wind, wave and tidal power) in Guernsey.

Connections and conflicts with other policy areas

- 10.4.105 Securing the future supply of energy to the Island is likely to involve significant development both on shore and off shore including, potentially, further development of our harbours. Such developments will link to land use policies especially those impacting on the coastal fringe. Large scale developments will have potential impacts on landscape character, land take, views and biodiversity. The installations during construction, use and subsequent decommissioning present the potential for pollution. Conversely the potential exists for a green energy economy offering different forms of employment.
- 10.4.106 In the event that the Island eventually migrates almost exclusively to electricity as a form of energy, there would be a requirement to install appropriate infrastructure including upgrading of the cable network along with the associated disruption in our roads.
- 10.4.107 More energy efficient construction will lead to the development of buildings that have a different appearance to traditional Guernsey buildings. The provision of energy efficient homes and offices could therefore begin to change the character of the Island in certain areas and a balance will need to be struck between energy efficiency and retaining Guernsey's traditional character in areas considered appropriate for extra levels of protection.

10.5 THE ISLAND RESOURCE PLANS

Introduction

- 10.5.1 The States Strategic Plan sets out what government want to achieve over a 0 to 25 year period and is confirmed or amended by the States every four years. The Resource Plans cover energy, infrastructure, population management and strategic land use and set a similar long term time horizon. As a result, updates of these documents appear as part of the four-yearly publication of the States Strategic Plan. The illustrations set out earlier in the Plan indicate where the Resource Plans sit within the States Strategic Plan structure and their relationship with other core elements.
- 10.5.2 These plans show how resources will be managed and influenced by government to support the States Aims and Objectives, the three Corporate Policy Plans and the Departmental and Committee Policy Plans. The correct management of these resources is essential to the successful functioning of the Island in terms of meeting our economic, social and environmental objectives. Some of these resources are not in government's control and there can also be conflicts between the objectives of each of the plans. However, these must be balanced and once all of the Resource Plans are in place it will be possible to see where policies in the different areas are working well together and where amendments might be required.
- 10.5.3 It is therefore essential that the Resource Plans are reviewed from time to time to enable this testing and amending process to continue. The current position regarding these Plans is set out below.

THE ENERGY RESOURCE PLAN

Introduction

- 10.5.5 The Energy Resource Plan describes Guernsey's sources and use of energy and sets out key objectives that will affect future energy decisions. The States approved the Energy Resource Plan in February 2012 and it is the corporate energy document for the States of Guernsey.

Responsibility

- 10.5.6 The Energy Resource Plan is prepared and reviewed by the Policy Council's Energy Policy Group. The Group will appraise and update the Plan as and when required and will advise the Policy Council in relation to any amendments that should be made so that the Council can refer such matters to the States as appropriate.

Headline Policies

- 10.5.6 The three objectives of the current Energy Resource Plan are:
- Maintaining the safety, security, affordability and sustainability of the Island's energy supplies
 - Using energy wisely and not wasting it
 - Reducing environmental impacts locally as part of our contribution to international initiatives as part of the global community.
- 10.5.7 In common with other developed jurisdictions, Islanders have seen significant increases in fuel prices during 2012. International expectations are that fuel prices are likely to continue to rise and therefore maintaining affordability may need to focus on reducing demand per unit of GDP. This could be a topic for the Energy Policy Group to concentrate on in the future.
- 10.5.8 The introduction of targets for energy diversity and decarbonisation will inevitably have economic implications for the Island. This might mean initially paying more for low carbon fuels or having to spend on energy-saving measures. Through the harnessing of local macro-scale renewable energy it may be possible, in the medium term, to produce a financial income for the Island to the overall benefit of the local economy. Accordingly, the work of Commerce and Employment to facilitate the use of macro renewable energy continues. However, many of the activities of the Energy Policy Group relevant to increasing the amount of low carbon electricity imported into the Island have been postponed since they cannot be effective until a revised import network is secured. Conversely, those actions which seek to improve energy efficiency have been moved higher up the priority list, within the context of constrained availability of resources.
- 10.5.9 The Energy Policy Group will need to consider whether all of the Plan's objectives remain valid in the light of recent developments and will report back to the States with any necessary revisions.

Update

- 10.5.10 In April 2012 the Island's electricity cable connection with the French grid failed and provided tangible evidence of the potential vulnerability of Guernsey's power supply. The failure of this cable required GEL (Guernsey Electricity) to maintain Island supplies using only their local oil-fuelled generation capability.

- 10.5.11 In a subsequent incident the original Jersey to France cable also failed and while the link between Guernsey and Jersey could be repaired, the original Jersey to France link may be beyond restoration. The failure of the Jersey to France link has major medium term significance as it reduces Guernsey's ability to import power as long as import capacity into Jersey is restricted. GEL is currently revising its cable strategy and the findings of this will be considered by the Energy Policy Group and other relevant bodies such as the Treasury and Resources Department before being fed into the Energy Resource Plan.

- 10.5.12 The reduced ability to import electricity into Guernsey throughout a large part of 2012 will have a significant effect upon the Island's greenhouse gas emissions for the year, and this effect will continue, albeit at a reduced level, for as long as the Island has a reduced ability to import electricity.

- 10.5.13 The Island has imported Fossil Fuels to provide energy for many decades, but the physical limitations at St Sampson's Harbour pose a risk for future supplies. Notwithstanding the fact that the States have purchased two of the few ships worldwide which are capable of using the harbour, given current market trends which see increasing globalisation and ever growing economies of scale, small ships able to ground in drying harbours are falling out of favour with ports where fossil fuels are loaded. Further tightening of health and safety legislation may also influence future practices, albeit on an unknown time scale.

- 10.5.14 Decisions concerning the importation of fossil fuels need to be made with the understanding that any shift in the Island's energy policy to reduce reliance on fossil fuels and shift progressively to lower carbon options reduces import volumes and therefore may also affect Guernsey's ability to attract suppliers.

- 10.5.15 Understandably, during the workshop meetings held on 10th and 30th November 2012, the security of energy supply was identified as a key issue by a number of States Members and this is an area where the Energy Resource Plan is likely to require review in the years ahead.

Relevant resolutions from 2011 SSP debate

- 10.5.16 There are no relevant outstanding resolutions relating to the Energy Resource Plan.

Further information

- 10.5.17 The Energy Resource Plan can be found on the States of Guernsey website at [www.gov.gg/Government and Administration/States Strategic Plan](http://www.gov.gg/Government%20and%20Administration/States%20Strategic%20Plan). The Billet d'Etat containing the States Report and Energy Resource Plan can be found at www.gov.gg/Billets and searching for the January 2012 Billet d'Etat III.

THE ISLAND INFRASTRUCTURE PLAN

Introduction

- 10.5.18 Infrastructure is a key resource in ensuring that any community and economy works effectively. The draft Infrastructure Plan focuses on physical structures such as the roads, airport, harbours, coastal defences, sewers, water supplies, energy supply and distribution facilities, information and communications technology but without overlooking other essential facilities such as government buildings, hospitals, schools and prisons.
- 10.5.19 While the Infrastructure Plan is being developed and is in the consultation phase, it forms an important part of the SSP process.
- 10.5.20 The primary objective of the Island Infrastructure Plan (IIP) will be to facilitate decision making in respect of essential public infrastructure investment by the States and the private sector over the next 25 years.

Responsibility

- 10.5.21 The development of the IIP is being coordinated by the Ministers and Chief Officers of the Public Services, Commerce and Employment and Environment departments.

Headline Policies

- 10.5.22 The IIP will be required to enable capital prioritisation in terms of delivery of corporate objectives set out within the SSP. Taking a 20 year-plus view, one estimate is that around £1.8bn may be needed to maintain and/or replace Guernsey's essential public infrastructure.
- 10.5.23 When dealing with such significant figures, it will be necessary to determine how this investment will be made. For example, will it be solely public money or will the States work with the private sector to help deliver this type of essential development? This vital aspect of infrastructure delivery will need to be considered as part of the development of the IIP.

- 10.5.24 It is clear that with so many potential capital programmes relating to infrastructure, the States will be required to determine which elements are the most important in terms of meeting corporate objectives and to prioritise these accordingly, accepting that some elements of Island infrastructure will not receive immediate investment.

Update

- 10.5.25 During the Budget debate in December 2012, the Treasury and Resources Department recommended a delay to the next debate on capital prioritisation until such time that an IIP outlining the full extent of investment required had been considered and agreed. In the event, the States decided to press on with a Capital Prioritisation debate in the third quarter of 2013, but efforts will be made to ensure that debate is set in the context of the 20 year capital investment requirements.
- 10.5.26 There is political acceptance that taking a longer term view in respect of infrastructure is the right approach. However, the challenge is to shift from a process where much of the planning is focused on short to medium term outcomes to a medium to long term horizon required for infrastructure planning.

Relevant resolutions from 2011 SSP debate

- 10.5.27 During the 2011 SSP debate the States resolved:
- *To note the progress report on the development of an Island Infrastructure Plan as described in Section 20.*
 - *To direct all States Departments to prepare asset registers and develop long-term plans (for at least 20 years ahead), for completion no later than June 2013, to identify the likely scale of future investment necessary to maintain satisfactory physical infrastructure to deliver their mandates.*
- 10.5.28 The ongoing SAP revision, especially relating to the Resource Accounting and Budgeting (RAB) Project, will allow the system to hold details of infrastructure assets, their condition and maintenance. Storing this information in the corporate SAP system will provide a robust, single source for infrastructure asset data. Although it will not be practicable to provide this information via SAP by the June 2013 deadline, the disadvantages of delay are outweighed by the advantages of utilising SAP and avoiding the duplicated effort of preparing temporary and possibly incompatible asset registers. The development of plans for future infrastructure requirements will come out of Departments' Business Plans where requirements for new

infrastructure and the enhancement, maintenance or disposal of existing infrastructure will be identified.

- 10.5.29 • *To direct the Treasury & Resources Department to provide States Departments with the necessary templates and guidance to produce the asset registers and plans within the June 2013 deadline ensuring that there is a consistent approach across government.*

The development of the specification of the data to be recorded in the asset registers has been ongoing. The templates and guidance will be part of the implementation phase of the RAB project.

- 10.5.30 • *To direct all States Departments to ensure that in future all infrastructure-related capital projects are presented for States consideration within the context of a 20 year programme for the relevant area of investment concerned and that both capital and revenue cost estimates are provided.*

This analysis will be expected to appear as part of each Department's Business Case for projects submitted to the Capital Prioritisation process.

Further information

- 10.5.31 More information on the Island Infrastructure Plan can be found on the States of Guernsey website at [www.gov.gg/Government and Administration/States Strategic Plan](http://www.gov.gg/Government%20and%20Administration/States%20Strategic%20Plan).

THE POPULATION MANAGEMENT RESOURCE PLAN

Introduction

- 10.5.32 How Guernsey manages its future population will directly influence economic and social welfare and will have implications for the physical environment of the Island. A new population management regime will need to provide the States with the ability to manage, as far as possible, the size and make-up of the Island's population in the future.

Responsibility

- 10.5.33 The Policy Council has responsibility for delivering a new population management regime. The Population Steering Group, chaired by the Chief Minister, is the Policy Council sub-group with the responsibility for driving forward the development of a new population management regime on a

practical level. The Policy Council will return to the States during 2013 to request the States to formally consider and adopt various elements of a new population management strategy.

Headline Policies

10.5.34 During the January 2012 States debate, the States resolved:

“To approve the replacement of the Housing Control and Right to Work Laws with a Population Management regime, based on a system of Permits for Residence and Employment, which determines the circumstances under which people may reside in Guernsey, for what reasons and for how long.”.

10.5.35 Work is now continuing to:

- Progress the actions suggested within the January 2012 States Report
- Develop the detailed proposals
- Consult with the public on those detailed proposals
- Establish the policies which will govern the day-to-day decision making
- Obtain various approvals of the States
- Draft and approve the necessary legislation, and
- Establish the administrative arrangements to implement the new regime.

Update

10.5.36 During the SSP workshops for States Members on 10th and 30th November 2012, it was generally agreed that population management formed a key issue for this political term.

10.5.37 Against a background of an ageing population and the Island’s international relationships and obligations, there will be much to consider during the current political term of government that will influence decisions on the appropriate approach to the management of our population.

- 10.5.38 States Members were given a presentation on the current status of this work stream at the beginning of December 2012 and were given the opportunity to examine and question the existing proposals. This resulted in general confirmation that the direction of travel adopted following the January 2012 States debate was still appropriate and that work should continue with a high level of priority.

Relevant resolutions from 2011 SSP debate

- 10.5.39 There are no relevant outstanding resolutions from the 2011 SSP debate relating to Population Management.

Further information

- 10.5.40 More information on the Population Management Resource Plan can be found on the States of Guernsey website at [www.gov.gg/Government and Administration/States Strategic Plan](http://www.gov.gg/Government%20and%20Administration/States%20Strategic%20Plan).

THE STRATEGIC LAND USE PLAN

Introduction

- 10.5.41 The Strategic Land Use Plan (SLUP) is a statutory document prepared under the Land Planning and Development (Guernsey) Law, 2005. The SLUP provides general guidance and specific directions to the Environment Department concerning the exercise of any of its functions where this may affect the achievement of States objectives, to ensure the land planning system is responsive to the Island's economic, social and environmental needs.

Responsibility

- 10.5.42 The SLUP is prepared and reviewed by the Strategic Land Planning Group, formed by the Land Planning and Development (Guernsey) Law, 2005. It is the duty of the Strategic Land Planning Group to consider the implications for land planning and use and how this affects the strategic, economic, social and environmental objectives of the States as part of the States Strategic Planning process.
- 10.5.43 Prior to the publication of the Development Plans, the Environment Department must have a certificate of consistency from the Strategic Land Planning Group to confirm the Development Plans are consistent with the SLUP.

Headline Policies

- 10.5.44 The core objective of the Strategic Land Use Plan is to improve the quality of life of Islanders and to support a successful economy while protecting the Island's environment, unique cultural identity and rich heritage.
- 10.5.45 The SLUP sets out a spatial strategy for the location of future development within the Island. This seeks a relaxation of the policies set out within the Urban and Rural Area Plans and while continuing support for development within the main centres of Town and the Bridge, enables development to occur within and around the local or parish centres (to be identified by the Development Plan) to allow small-scale, sustainable growth.
- 10.5.46 The Strategic Land Use Plan influences more than just the specific land uses to be provided for within the Development Plans. For example it:
- identifies the need for better corporate working across the States to make best use of land and a willingness to work with the private sector to deliver States objectives
 - requires the production of responsive and adaptable Development Plans and for them to strike the right balance between public interest and personal choice
 - expects the Development Plans to focus on outcomes and to control development in a fair way, proportionate to the circumstances concerned.
- 10.5.46 The Strategic Land Use Plan will now be used by the Environment Department as the framework within which the Urban and Rural Area Plans will be reviewed.

Update

- 10.5.47 Following the 2012 general elections, the 2013 SSP reflects the Policy Council's efforts to identify a political direction of travel for this States term of office. As mentioned above, the Resource Plans may need to be amended in order to meet this new strategic direction by adjusting their long term objectives accordingly. The SLUP was agreed by the States in November 2011 and is currently guiding the Environment Department's review of the Development Plans (currently known as the Urban and Rural Area Plans).

- 10.5.48 The Aims and Objectives of the SSP are deliverable within the current format and content of the SLUP and therefore it is not envisaged that there is any immediate requirement to undertake a review of its policies. This will, of course be kept under review by the Strategic Land Planning Group as and when the corporate objectives of the States are refined.

Relevant resolutions from 2011 SSP debate

- 10.5.49 There are no relevant outstanding resolutions relating to the Strategic Land Use Plan.

Further information

- 10.5.50 The Strategic Land Use Plan can be found on the States of Guernsey website at [www.gov.gg/Government and Administration/States Strategic Plan](http://www.gov.gg/Government%20and%20Administration/States%20Strategic%20Plan). The Billet d'Etat containing the States Report and Strategic Land Use Plan can be found at www.gov.gg/Billets and searching for the November 2011 Billet d'Etat XIX.

10.6 A POLITICAL DIRECTION OF TRAVEL

10.6.1 During this States Term when interpreting the Statement of Aims, General Objectives and Themes, reference will be made to the following statements which represent the majority consensus of views within the present States.

10.6.2 **The States direction of travel towards strategic government objectives recognises the importance of having:**

- A clear vision of the future and ability to deal with change
- Inclusive leadership from a Policy Council that listens and communicates well with all States Members
- A strong sense of Guernsey as a distinctive and successful community that is adaptable, resilient and sustainable
- The willingness to face challenges rationally and make radical decisions where necessary to meet them
- Respect for fairness and equity
- Recognition that burdens, including financial burdens, need to be shared in a way that promotes and maintains the sense of being one community
- A self-reliant community where individuals take personal responsibility for their own well-being wherever possible
- An efficient government that does not do what other agencies, including the third sector, could do as effectively or better than government
- Recognition that spending on public services has to be prioritised
- A long-term focus on capital investment that explores and carefully considers alternative ways of funding
- A positive and enabling approach towards businesses that deliver benefits to Guernsey
- High standards of education and skills
- Regular informal discussions between States Members about government policy exploring the complex relationships between policy areas and how to minimise conflict and maximise benefits across government.

10.6.3 **These broad statements represent a platform for building a stronger consensus agenda. Many have links to current plans and policies and work that is already in progress.**

10.6.4 **In addition, the States consider that it will be helpful for certain matters of particular strategic importance to be brought forward for debate in this Term so that progress can be made to take the States Strategic Plan forward:**

Key Strategic Policy Topics

- Review of Population Management
- Review of the 2007 Population Policy
- Reviews of personal (direct and indirect) taxation and benefits
- Measures to ensure the reduction of the States Budget deficit
- Economic Development Plan for Guernsey (to complete the Fiscal and Economic Plan)
- A vision for the future of Health and Social Services
- A vision for the future of Education Services
- The replacement of the Urban and Rural Area Plans with a new Development Plan in line with the Strategic Land Use Plan.
- A strategy for climate change protection

NB. Some of these reports are already in the pipeline and have been the subject of public consultation. The reports are not listed in any proposed order of debate.

10.7 STATES CORPORATE POLICIES

10.7.1 In a small number of cases statements of current corporate policy that have been approved by the States are required by the Law or for regulatory reasons to be included as part of the States Strategic Plan. These are:

- States Population Policy – as approved by the States in April 2007 (Billet d’Etat IV, 2007)

- States Guidance to Shareholders for each States Trading Company as required by The States Trading Company Ordinance
- States Housing Strategy – as approved by the States in February 2003, (Billet d’Etat II, 2003)

These statements are provided as an appendix to this Plan.

10.8 MONITORING PROGRESS AGAINST STRATEGIC AIMS AND OBJECTIVES

- 10.8.1 The effectiveness of government policies is considered through the States Strategic Monitoring Report which is published annually and presented to the States for information.
- 10.8.2 The report is prepared by the Research Section of the Policy Council using data provided from across the public sector. It evaluates the data against ‘key performance indicators’ which have been selected to show whether policies appear to be achieving positive outcomes ‘in the real world’ or whether government needs to think again and change its approach.
- 10.8.3 Although the SSP will normally only be reviewed in full every four years (once in a States Term), from 2013 onwards, the Strategic Monitoring Report will continue to be prepared and published annually so that time series information is maintained. In 2013 the Monitoring Report will be reconfigured so that it relates to the revised format of the States Strategic Plan this year.
- 10.8.4 In future, the evaluation of policy outcomes in the Strategic Monitoring Report will be supplemented by performance monitoring on the Government Service Plan. In each case, this will assist States scrutiny processes and improve public accountability.
- 10.8.5 The most recent States Strategic Monitoring Report which was published in September 2012 is available on the States website www.gov.gg/States Strategic Plan/Performance-Monitoring.

10.9 GLOSSARY – WHAT POLICY TERMS MEAN FOR THE PURPOSES OF THE SSP

- **Aim** – A broad statement of purpose. An aim is something to aspire to and is likely to be inspirational rather than readily achievable
- **Objective** – A specific thing which it is intended to achieve to fulfil an Aim
- **Theme** – The approach to be taken towards the achievement of General Objectives

For the Purposes of the SSP, Objectives are split into 2 levels

- **General Objective** – An objective that is likely to remain applicable with no more than minor modifications for many years. General Objectives are included in the States Strategic Plan
- **Specific Objective** – An objective that is relevant to shorter term circumstances; has an end date or completion date of some kind and/or is more specific in scope than a general objective. Specific objectives and targets will be included in the Government Service Plan
- **Policy** – A broad statement of intent that sets out principles and priorities to guide decision making and courses of action to fulfil Aims and Objectives
- **Plan** – A written expression of intended co-ordinated action to implement Policy within a specific timeframe. It explains what needs to be done, when, how and by whom
- **Strategy** – A long-term approach to planning and marshalling resources that, subject to future events and circumstances that cannot be foreseen, will implement Policy and fulfil Aims and Objectives

NB: The term ‘strategic’ used as an adjective, however, may relate to the long-term pursuit of objectives as opposed to short-term tactical action.

Glossary – Other technical terms

Biodiversity – the variety and variability among living organisms and the ecological environment in which they occur

Carbon footprint – the total amount of greenhouse gases caused by an organisation, event, product or person usually expressed in equivalent tons of carbon dioxide

Corporate Taxation – the method (and rates) of taxation of business profits

Dependency Ratio – the proportion of people who are either older or younger than the working age compared with the number of those of working age.

Financial Transformation Programme – a programme which aims to reduce public sector expenditure by 10% or £31m over a five year period from 2009 to 2014

Fiscal Balance – amount of money government has from tax revenue and proceeds of assets sold minus any government spending.

Governance – the exercise of political authority and the use of public resources

Gross Domestic Product (GDP) – the sum of the Island income (wages, plus profits and other local income from capital) used as the principal measure of economic output in Guernsey

Macroeconomic Environment – the general underlying condition of the economy, broadly speaking this term reflects whether global conditions are stable, weak or positive

Policy Council – the coordinating government body chaired by the Chief Minister. All Ministers are members of the Council

Transferred services – since 1948 with the agreement of the States of Alderney, the States of Guernsey has exercised financial and administrative responsibility for certain public services in Alderney

10.10 APPENDIX TO THE PLAN

STATES CORPORATE POLICIES - STATEMENTS

10.10.1 Population Policy

The States' population objective of "*maintaining Guernsey's population at approximately its current level*" is drawn from the Population and Migration Policy Statement approved by the States of Deliberation in April 2007 (Billet d'Etat IV, 2007).

The main population control measures continue to be the Housing Control Law and the Right to Work Law. In support of the States population objective, the Housing Department has stated that, in administering the Housing Control and Right to Work Laws, its policies remain those set out in Appendix I to the Report relating to the Government Business Plan 2007 (Billet d'Etat XVIII, 2007). These policies are reproduced in full below:

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

- (b) Are currently resident in the island; and
- (c) Have already completed a substantial proportion of the specified qualifying period.

10.10.2 **States Guidance to Shareholders**

Under the terms of the States Trading Company Ordinance, the Treasury and Resources Department acts as Shareholder on behalf of the States, in relation to Guernsey Post and Guernsey Electricity.

At the time of commercialisation, the States agreed Guidance on exercising the role of Shareholder for each States Trading Company. The STC Ordinance provides that such guidance will be published in the Policy & Resource Plan, now the States Strategic Plan.

Following consideration of a report from the Commerce and Employment Department on a Review of Utility Regulation¹, the States resolved at its meeting on 30th September, 2011, that paragraph 4 of the States Guidance to Shareholders with respect to Guernsey Electricity and paragraph 2 with respect to Guernsey Post should be amended to read as follows:

- a) Deliver improved efficiency in fulfilling the requirements of the Public/Universal Supply Obligation imposed under the regulatory regime;
- b) Achieve as soon as practicable an appropriate commercial return on the resources employed in the provision of services.

The purpose of this amendment to the Guidance was to eliminate any possible confusion as to the responsibilities of the Treasury and Resources Department in its role as Shareholder, which should be focused clearly on efficiency improvements in the delivery of services by the States-owned utilities, as well as the definition of their overall strategic objectives and the monitoring of performance against these objectives.

Copies of the complete current States Guidance to the Shareholder for both Guernsey Electricity and Guernsey Post are available to read and download on the States website.

The Treasury and Resources Department and the Commerce and Employment Department established in 2012 a joint Working Party to review, inter alia, the current approach to the economic regulation of Guernsey Electricity and Guernsey Post and consider whether or not any

¹ Article 14 of Billet d'Etat XV of 2011

changes to the current regulatory regime are required. One of the considerations of this review is whether the States, through the Treasury and Resources Department, should be taking a more active role as Shareholder. Subject to the recommendations arising from this review, there may be a requirement for the States to consider further amendment to its guidance to the Treasury and Resources Department in its role as Shareholder.

10.10.3 **States Housing Strategy**

In February 2003, (Billet d'Etat II, 2003) the States agreed that the principal objectives of the Housing Strategy should be as follows:

- 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 housing needs including accommodation for older persons, young people, persons 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.

(NB The Treasury and Resources Department supports the States Strategic Plan 2013 and, in particular, welcomes the concept of a Government Service Plan as the process by which the States will, in due course, prioritise and make decisions about the allocation of resources.)

The States are asked to decide:

I.- Whether after consideration of the report dated 28th January, 2013, of the Policy Council, they are of the opinion:-

1. To approve the inclusion of the Statement of Government Values as part of the Plan.
(Section 10.2)
2. To approve the revised Statement of Aims as set out in the Plan.
(Section 10.3)
3. To approve the new Statement of Fiscal and Economic; Social and Environmental Policy Plan General Objectives and Themes as set out in the Plan.
(Section 10.3)
4. To approve the Statement of a Political Direction of Travel as set out in the Plan.
(Section 10.6)
5. To confirm that the States Corporate Policies continue to be appropriate for legal and regulatory purposes as set out within the Plan.
(Section 10.7)
6. To note the Fiscal and Economic; Social, and Environmental policy challenges identified in the Plan.
(Section 10.4)
7. To note the update on the Island Resource Plan for Energy in the Plan.
(Section 10.5 (10.5.4 to 10.5.17))
8. To note the update on the Island Resource Plan for Infrastructure in the Plan.
(Section 10.5(10.5.18 to 10.5.31))
9. To note the update on the Island Resource Plan for Population Management in the Plan.
(Section 10.5 (10.5.18 to 10.5.40))

10. To note the update on the Island Resource Plan for Strategic Land Use in the Plan.

(Section 10.5 (10.5.41 to 10.5.50))

11. To note the Policy Council's intention to consult with States Members, States Departments, States Committees and other relevant stakeholders during 2013 – 2014 and as a first step, to present a report to the States in July 2013 setting out the principles for the development of a Government Service Plan to facilitate multi-year corporate and departmental planning and budgeting.
12. To note all other sections of the 2013-2017 States Strategic Plan and accompanying report not specifically referred to in Recommendations 1-11 above.