



BILLET D'ÉTAT

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Volume 2

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2014

TREASURY AND RESOURCES DEPARTMENT

DOUBLE TAXATION ARRANGEMENT WITH THE GOVERNMENT OF THE PRINCIPALITY OF MONACO

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

7th May 2014

Dear Sir

1. Executive Summary

This Report proposes that the States declare, by Resolution, that a Double Taxation Arrangement (“DTA”) entered into with the Government of the Principality of Monaco (on 7th April 2014, by Guernsey, and on 14th April 2014, by Monaco) should have effect, with the consequence that the Arrangement shall also have effect in relation to income tax, notwithstanding anything contained in the Income Tax (Guernsey) Law, 1975, as amended (“the Income Tax Law”).

2. Report

- 2.1. The principal purpose of a DTA is for two governments to agree procedures for the prevention of double taxation – that is, taxation under the laws of both territories in respect of the same income.
- 2.2. Prior to 2008, Guernsey had only two DTAs – one with the United Kingdom (which came into force in 1952) and one with Jersey (which came into force in 1955). Since 2008, several limited DTAs have been signed with other countries, such as Australia, Ireland and New Zealand. More recently, further comprehensive DTAs have been signed – the first with Malta, in 2012; with Hong Kong, the Isle of Man, Jersey (a revision of the 1955 agreement), Luxembourg, Mauritius, Qatar and Singapore during 2013, and with Seychelles in January 2014.
- 2.3. When Guernsey negotiates with a country in relation to agreements for the exchange of tax information, the opportunity is also taken to discuss ways of preventing certain types of double taxation and related issues.
- 2.4. During such discussions with Monaco, it was suggested that, in place of a Tax Information Exchange Agreement (“TIEA”) a DTA be negotiated, including an exchange of information Article to the equivalent standard of Article 26 of the

OECD's Model Tax Convention on Income and on Capital. A DTA that contains such an Article is recognised as meeting international standards on exchange of information (equivalent to negotiating a TIEA).

- 2.5. As a consequence, on 7th and 14th April 2014, Guernsey and Monaco, respectively, signed an Agreement between the States of Guernsey and the Government of the Principality of Monaco for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income ("Agreement").

A copy of the Agreement is appended to this Report.

- 2.6. Particular points of note, in relation to the Agreement, are:

- (i) Article 10 ("Dividends"), prescribes that the general principle is that dividends are taxed in the place of residence of the recipient. This is in accord with Guernsey's domestic tax regime under which dividends paid to a non-resident of Guernsey do not suffer deduction of Guernsey tax.
- (ii) Article 11 ("Interest"), prescribes that the general principle is that interest is taxed in the place of residence of the recipient. This accords with Guernsey's domestic tax regime under which interest paid to a non-resident of Guernsey, does not suffer Guernsey tax.
- (iii) Article 12 ("Royalties"), prescribes that the general principle is that Royalties are taxed in the place of residence of the recipient. This accords with Guernsey's domestic tax regime under which royalties paid to a non-resident of Guernsey, do not suffer Guernsey tax.
- (iv) Under Article 17 ("Pensions"), pensions payable from a source arising in one territory to a resident of the other territory may be taxed in both territories, subject to their respective domestic laws allowing this (and any double taxation that arises as a result may be relieved in accordance with Article 21 - "Elimination of Double Taxation").

It is not considered that the effects of the pensions Article in this Agreement will have a material effect on Guernsey's revenues.

The remainder of the Agreement broadly follows the OECD Model.

- 2.7. Section 172(1) of the Income Tax Law provides:

"If the States by Resolution declare that arrangements specified in the Resolution have been made with the government of any other territory with a view to affording relief from double taxation in relation to income tax and any tax of a similar character imposed by the laws of that territory, and that it is expedient that those arrangements should have effect, the arrangements shall have effect in relation to income tax notwithstanding anything in any enactment."

3. Principles of Good Governance

In preparing this Report, the Department has been mindful of the States Resolution to adopt the six core principles of good governance defined by the UK Independent Commission on Good Governance in Public Services (Billet IV of 2011).

4. Resource Implications

- 4.1. Whilst the Agreement with Monaco sets out measures for the avoidance of double taxation, as those obligations extend to both parties to the Agreement, it is not anticipated that the Agreement will give rise to any overall significant loss of, or increase to, the revenues of the States.
- 4.2. Whilst the provisions of the Agreement, relating to the prevention of fiscal evasion, do place obligations on the Parties to obtain and exchange information, the resource implications for Guernsey in complying with those obligations is not expected to be significant and can be managed within the existing resources available to the Director of Income Tax.

5. Consultation

The Law Officers of the Crown have been consulted in relation to the legal issues set out in this Report.

6. Recommendation

The Treasury and Resources Department recommends that the States should declare that the Agreement made with the Government of the Principality of Monaco, as appended to this Report, has been made with a view to affording relief from double taxation, and that it is expedient that those double tax arrangements should have effect, so that the arrangements have effect in relation to income tax in accordance with section 172(1) of the Income Tax Law.

Yours faithfully

G A St Pier
Minister

J Kuttelwascher (Deputy Minister)
A H Adam
R A Perrot
A Spruce
Mr J Hollis (Non States Member)

AGREEMENT BETWEEN
THE STATES OF GUERNSEY
AND
THE GOVERNMENT OF THE PRINCIPALITY OF MONACO
FOR THE AVOIDANCE OF DOUBLE TAXATION
AND
THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME

SUMMARY OF THE CONVENTION

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FINAL PROVISIONS

Article 27	Entry into force
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THE STATES OF GUERNSEY

AND

THE GOVERNMENT OF MONACO,

WHEREAS it is acknowledged that the States of Guernsey has the right, under the terms of the Entrustment from the United Kingdom of Great Britain and Northern Ireland, to negotiate, conclude, perform and subject to the terms of this Agreement terminate a tax information exchange agreement with the Government of Monaco;

DESIRING to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,

HAVE AGREED as follows:

ARTICLE 1**PERSONS COVERED**

This Agreement shall apply to persons who are residents of one or both of the Parties.

ARTICLE 2**TAXES COVERED**

1. This Agreement shall apply to taxes on income imposed by or on behalf of a Party or of its local authorities, irrespective of the manner in which they are levied.

2. There shall be regarded as taxes on income all taxes imposed on total income, or on elements of income, including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises.

3. The existing taxes to which the Agreement shall apply are:

- a) in the case of Guernsey:
 - (i) income tax;
(hereinafter referred to as “Guernsey tax”);
- b) in the case of the Principality of Monaco:
 - (i) the profit tax on commercial income levied from individual persons;

- (ii) the profit tax levied from companies (“impôt sur les bénéfices”).

4. This Agreement shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Parties shall notify each other of any significant changes that have been made in their taxation laws which may affect matters covered by the Agreement.

ARTICLE 3

GENERAL DEFINITIONS

1. For the purposes of this Agreement, unless the context otherwise requires:
 - a) the term “Guernsey”, means the States of Guernsey and, when used in a geographical sense, means the islands of Guernsey, Alderney and Herm, including the territorial sea adjacent to those islands, in accordance with international law, save that any reference to the law of Guernsey is to the law of the island of Guernsey as it applies there and in the islands of Alderney and Herm;
 - b) the term “Monaco” means the Principality of Monaco’s lands, internal waters, territorial sea including its bed and subsoil, the air space over them, the exclusive economic zone and the continental shelf, over which the Principality of Monaco exercises sovereign rights and jurisdiction in accordance with the provisions of international law and the Principality of Monaco’s national laws;

- c) the term “company” means any body corporate or any entity that is treated as a body corporate for tax purposes;
- d) the term “competent authority” means:
 - (i) in the case of Guernsey, the Director of Income Tax or his delegate;
 - (ii) in the case of Monaco Counsellor of the Government for Finance and the Economy (“Conseiller du Gouvernement pour les Finances et l’Economie”) or his delegate;
- e) the terms “enterprise of a Party” and “enterprise of the other Party” mean respectively an enterprise carried on by a resident of a Party and an enterprise carried on by a resident of the other Party and the term “enterprise” applies to the carrying on of any business;
- f) the term “international traffic” means any transport by a ship or aircraft operated by an enterprise of a Party that has its place of effective management in a Party, except when the ship or aircraft is operated solely between places in the other Party;
- g) the term “national” means:
 - (i) in the case of Guernsey, any individual who has a place of abode in Guernsey and possesses British citizenship and any legal person, partnership or association deriving its status as such from the laws of Guernsey;
 - (ii) in the case of Monaco any person possessing the nationality of Monaco and any legal person, partnership, association or foundation deriving its status as such under the laws of Monaco;

- h) the terms “a Party” and “the other Party” mean Guernsey or Monaco, as the context requires;
- i) the term “person” includes an individual, a company and any other body of persons.

2. As regards the application of the Agreement at any time by a Party, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the laws of that Party for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that Party prevailing over a meaning given to the term under other laws of that Party.

ARTICLE 4

RESIDENT

- 1. For the purposes of this Agreement, the term “resident of a Party” means:
 - a) in the case of Guernsey:
any person who, under the laws of Guernsey, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature, and also includes Guernsey, and a person other than an individual which is incorporated or constituted under the laws of Guernsey;
 - b) in the case of Monaco:
any person who, under the laws of the Principality of Monaco, has in Monaco his domicile, abode, residence, or place of management,

and also includes the State of Monaco and any local authorities thereof.

This term, however, does not include any person who is liable to tax in a Party in respect only of income from sources in that Party.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Parties, then his status shall be determined as follows:

- a) he shall be deemed to be a resident only of the Party in which he has a permanent home available to him; if he has a permanent home available to him in both Parties, he shall be deemed to be a resident only of the Party with which his personal and economic relations are closer (centre of vital interests);
- b) if the Party in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either Party, he shall be deemed to be a resident only of the Party in which he has an habitual abode;
- c) if he has an habitual abode in both Parties or in neither of them, he shall be deemed to be a resident only of the Party of which he is a national;
- d) if he is a national of both Parties or neither of them, the competent authorities of the Parties shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Parties, then it shall be deemed to be a resident only of the Party in which its place of effective management is situated.

ARTICLE 5

PERMANENT ESTABLISHMENT

1. For the purposes of this Agreement, the term “permanent establishment” means a fixed place of business through which the business of an enterprise is wholly or partly carried on.

2. The term “permanent establishment” includes especially:

- a) a place of management;
- b) a branch;
- c) an office;
- d) a factory;
- e) a workshop; and
- f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources.

3. A building site or construction or installation project constitutes a permanent establishment only if it lasts more than twelve months.

4. Notwithstanding the preceding provisions of this Article, the term “permanent establishment” shall be deemed not to include:

- a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
- b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;

- c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
- d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or of collecting information, for the enterprise;
- e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character;
- f) the maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs *a)* to *e)*, provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

5. Notwithstanding the provisions of paragraphs 1 and 2, where a person — other than an agent of an independent status to whom paragraph 6 applies — is acting on behalf of an enterprise and has, and habitually exercises, in a Party an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that Party in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

6. An enterprise shall not be deemed to have a permanent establishment in a Party merely because it carries on business in that Party through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.

7. The fact that a company which is a resident of a Party controls or is controlled by a company which is a resident of the other Party, or which carries on business in that other Party (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

ARTICLE 6

INCOME FROM IMMOVABLE PROPERTY

1. Income derived by a resident of a Party from immovable property (including income from agriculture or forestry) situated in the other Party shall be taxable only in that other Party.

2. The term “immovable property” shall have the meaning which it has under the law of the Party in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships, boats and aircraft shall not be regarded as immovable property.

3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.

4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise.

ARTICLE 7

BUSINESS PROFITS

1. The profits of an enterprise of a Party shall be taxable only in that Party unless the enterprise carries on business in the other Party through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits that are attributable to the permanent establishment in accordance with the provisions of paragraph 2 may be taxed in that other Party.

2. For the purposes of this Article, the profits that are attributable in each Party to the permanent establishment referred to in paragraph 1 are the profits it might be expected to make, in particular in its dealings with other parts of the enterprise, if it were a separate and independent enterprise engaged in the same or similar activities under the same or similar conditions, taking into account the functions performed, assets used and risks assumed by the enterprise through the permanent establishment and through the other parts of the enterprise.

3. Where, in accordance with paragraph 2, a Party adjusts the profits that are attributable to a permanent establishment of an enterprise of one of the Parties and taxes accordingly profits of the enterprise that have been charged to tax in the other Party, the other Party shall, to the extent necessary to eliminate double taxation on these profits, make an appropriate adjustment to the amount of tax charged on those profits. In determining such adjustment, the competent authorities of the Parties shall if necessary consult each other, within a reasonable period of time.

4. Where profits include items of income which are dealt with separately in other Articles of the Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article.

ARTICLE 8

SHIPPING AND AIR TRANSPORT

1. Profits of an enterprise of a Party from the operation of ships or aircraft in international traffic shall be taxable only in the Party in which the place of effective management of the Party is situated.

2. For the purposes of this Article, profits derived from the operation in international traffic of ships and aircraft include profits;

- a) derived from the rental of ships and aircraft if such ships or aircraft are operated in international traffic; and
- b) derived from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers) used for the transport of goods and merchandise,

where such rental profits or profits from such use, maintenance or rental, as the case may be, are incidental to the profits described in paragraph 1.

3. The provisions of paragraph 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

ARTICLE 9

ASSOCIATED ENTERPRISES

1. Where:

- a) an enterprise of a Party participates directly or indirectly in the management, control or capital of an enterprise of the other Party;
or
- b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Party and an enterprise of the other Party,

and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

2. Where a Party includes in the profits of an enterprise of that Party – and taxes accordingly – profits on which an enterprise of the other Party has been charged to tax in that other Party and the profits so included are profits which would have accrued to the enterprise of the first-mentioned Party if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other Party shall make an appropriate adjustment to the amount of the tax charged therein on those profits. In determining such adjustment, due regard shall be had to the other provisions of this Agreement and the competent authorities of the Parties shall if necessary consult each other.

ARTICLE 10**DIVIDENDS**

1. Dividends paid by a company which is a resident of a Party to a resident of the other Party and which are beneficially owned by that resident shall be taxable only in that other Party.

2. Paragraph 1 shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

3. The term “dividends” as used in this Article means income from shares, or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the Party of which the company making the distribution is a resident.

4. The provisions of paragraph 1 shall not apply if the beneficial owner of the dividends, being a resident of a Party, carries on business in the other Party of which the company paying the dividends is a resident, through a permanent establishment situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

5. Where a company which is a resident of a Party derives profits or income from the other Party, that other Party may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of that other Party or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment situated in that other Party, nor subject the company's undistributed profits to a tax on the company's

undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other Party.

ARTICLE 11

INTEREST

1. Interest arising in a Party and which is beneficially owned by a resident of the other Party shall be taxable only in that other Party.

2. The term “interest” as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.

3. The provisions of paragraph 1 shall not apply if the beneficial owner of the interest, being a resident of a Party, carries on business in the other Party in which the interest arises, through a permanent establishment situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

4. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the

payments shall remain taxable according to the laws of each Party, due regard being had to the other provisions of this Agreement.

5. Interest shall be deemed to arise in a Party when the payer is a resident of that Party. Where, however, the person paying the interest, whether he is a resident of a Party or not, has in a Party a permanent establishment in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, then such interest shall be deemed to arise in the Party in which the permanent establishment is situated.

ARTICLE 12

ROYALTIES

1. Royalties arising in a Party and beneficially owned by a resident of the other Party shall be taxable only in that other Party.

2. The term “royalties” as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematograph films, any patent, trade mark, design or model, plan, secret formula or process, or for information concerning industrial, commercial or scientific experience.

3. The provisions of paragraph 1 shall not apply if the beneficial owner of the royalties, being a resident of a Party, carries on business in the other Party in which the royalties arise, through a permanent establishment situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

4. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Party, due regard being had to the other provisions of this Agreement.

5. Royalties shall be deemed to arise in a Party when the payer is a resident of that Party. Where, however, the person paying the royalties, whether he is a resident of a Party or not, has in a Party a permanent establishment in connection with which the liabilities to pay the royalties was incurred, and such royalties are borne by such permanent establishment, then such royalties shall be deemed to arise in the Party in which the permanent establishment is situated.

ARTICLE 13

CAPITAL GAINS

1. Gains derived by a resident of a Party from the alienation of immovable property referred to in Article 6 and situated in the other Party shall be taxable only in that other Party.

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Party has in the other Party including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) shall be taxable only in that other Party.

3. Gains derived by an enterprise of a Party from the alienation of ships or aircraft operated in international traffic, or from movable property pertaining to the operation of such ships or aircraft, shall be taxable only in that Party.

4. Gains derived by a resident of a Party from the alienation of shares deriving more than 50 per cent of their value directly or indirectly from immovable property situated in the other Party shall be taxable only in that other Party.

5. Gains from the alienation of any property, other than that referred to in paragraphs 1, 2, 3 and 4, shall be taxable only in the Party of which the alienator is a resident.

ARTICLE 14

INCOME FROM EMPLOYMENT

1. Subject to the provisions of Articles 15, 17 and 18, salaries, wages and other similar remuneration, derived by a resident of a Party in respect of an employment shall be taxable only in that Party unless the employment is exercised in the other Party. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other Party.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Party in respect of an employment exercised in the other Party shall be taxable only in the first-mentioned Party if:

- a) the recipient is present in the other Party for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned; and

- b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other Party; and
- c) the remuneration is not borne by a permanent establishment which the employer has in the other Party.

3. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Party may be taxed in the Party in which the place of effective management of the enterprise is situated.

ARTICLE 15

DIRECTORS' FEES

Directors' fees and other similar payments derived by a resident of a Party in his capacity as a member of the board of directors of a company which is a resident of the other Party may be taxed in that other Party.

ARTICLE 16

ARTISTES AND SPORTSMEN

1. Notwithstanding the provisions of Articles 7 and 14, income derived by a resident of a Party as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsman or as a model, from his personal activities as such exercised in the other Party, may be taxed in that other Party.

2. Where income in respect of personal activities exercised by an entertainer, a sportsman or model in his capacity as such accrues not to the entertainer, sportsman or model himself but to another person, that income may, notwithstanding the provisions of Articles 7 and 14, be taxed in the Party in which the activities of the entertainer or sportsman are exercised.

ARTICLE 17

PENSIONS

1. Subject to the provisions of paragraph 2 of Article 18, pensions and other similar remuneration (including lump sum payments) paid to a resident of a Party in consideration of past employment or self-employment and social security pensions shall be taxable only in that Party.

2. However, such pensions and other similar remuneration (including lump sum payments) may be taxed in the other Party if they arise in that Party.

3. The provisions of paragraph 1 shall not apply if the pension and other similar remuneration (including lump sum payments) arise wholly in consideration of past employment or self-employment and the services or functions in respect of which such payments are made were performed wholly in the Party in which they arise and during a period in which the person receiving the payments was a resident of that Party

ARTICLE 18**GOVERNMENT SERVICE**

1. a) Salaries, wages and other similar remuneration, paid by a Party or a local authority thereof to an individual in respect of services rendered to that Party or subdivision, body or authority shall be taxable only in that Party.
- b) However, such salaries, wages and other similar remuneration shall be taxable only in the other Party if the services are rendered in that Party and the individual is a resident of that Party who:
 - (i) is a national of that Party; or
 - (ii) did not become a resident of that Party solely for the purpose of rendering the services.
2. The provisions of Articles 14, 15, 16 and 17 shall apply to salaries, wages, pensions, and other similar remuneration in respect of services rendered in connection with a business carried on by a Party or a local authority thereof.

ARTICLE 19**STUDENTS**

Payments which a student or business apprentice who is or was immediately before visiting a Party a resident of the other Party and who is present in the first-mentioned Party solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that Party, provided that such payments arise from sources outside that Party.

ARTICLE 20**OTHER INCOME**

1. Items of income of a resident of a Party, wherever arising, not dealt with in the foregoing Articles of this Agreement shall be taxable only in that Party.
2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6, if the recipient of such income, being a resident of a Party, carries on business in the other Party through a permanent establishment situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

ARTICLE 21**ELIMINATION OF DOUBLE TAXATION**

1. Subject to the provisions of the laws of Guernsey regarding the allowance as a credit against Guernsey tax of tax payable in a territory outside Guernsey (which shall not affect the general principle hereof):
 - a) subject to the provisions of sub-paragraph c), where a resident of Guernsey derives income which, in accordance with the provisions of the Agreement, may be taxed in Monaco, Guernsey shall allow as a deduction from the tax payable in respect of that income, an amount equal to the income tax paid in Monaco;

- b) such deduction shall not, however, exceed that part of the income tax, as computed before deduction is given, which is attributable to the income which may be taxed in Monaco;
- c) where a resident of Guernsey derives income which, in accordance with the provisions of the Agreement shall be taxable only in Monaco, Guernsey may include this income in calculating the amount of tax on the remaining income of such resident.

2. In the case of Monaco, where a resident of Monaco derives income which, in accordance with the provisions of this Agreement, is taxable in Guernsey, then Monaco shall allow a deduction from the tax on income of that resident an amount equal to the tax paid in Guernsey provided that such deduction shall not exceed that part of the tax, as computed before the deduction is given, which is attributable to the income derived from Guernsey.

ARTICLE 22

NON-DISCRIMINATION

1. Nationals of a Party shall not be subjected in the other Party to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other Party in the same circumstances, in particular with respect to residence, are or may be subjected. This provision shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the Parties.

2. Stateless persons who are residents of a Party shall not be subjected in either Party to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which

nationals of the Party concerned in the same circumstances, in particular with respect to residence, are or may be subjected.

3. The taxation on a permanent establishment which an enterprise of a Party has in the other Party shall not be less favourably levied in that other Party than the taxation levied on enterprises of that other Party carrying on the same activities. This provision shall not be construed as obliging a Party to grant to residents of the other Party any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

4. Except where the provisions of paragraph 1 of Article 9, paragraph 4 of Article 11, or paragraph 4 of Article 12, apply, interest, royalties and other disbursements paid by an enterprise of a Party to a resident of the other Party shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned Party.

Similarly, any debts of an enterprise of a Party to a resident of the other Party shall, for the purpose of determining the taxable capital of such enterprise, be deductible under the same conditions as if they had been contracted to a resident of the first-mentioned Party.

5. Enterprises of a Party, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Party, shall not be subjected in the first-mentioned Party to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned Party are or may be subjected.

6. The provisions of this Article shall, notwithstanding the provisions of Article 2, apply to taxes of every kind and description.

ARTICLE 23

NO PREJUDICIAL OR RESTRICTIVE MEASURES

1. Neither of the Parties shall apply prejudicial or restrictive measures based on harmful tax practices to residents, non residents or nationals of either Party so long as this Agreement is in force and effective.

2. For the purpose of this Article a “prejudicial or restrictive measure based on harmful tax practices” means a measure applied by one Party to residents or nationals of either Party on the basis that the other Party does not engage in effective exchange of information and/or because it lack transparency in the operation of its laws, regulations or administrative practices, or on the basis of no or nominal taxes and one of the preceding criteria.

3. Without limiting the generality of paragraph 2 the term “prejudicial or restrictive measure” includes:

- a) the denial of a deduction, credit or exemption;
- b) the imposition of a tax, charge or levy;
- c) the inclusion on a discriminatory list or any similar or assimilated measure or practice;
- d) the requirement for a special reporting.

4. The provisions of this Article shall, notwithstanding the provisions of Article 2, apply to taxes of every kind and description.

ARTICLE 24**MUTUAL AGREEMENT PROCEDURE**

1. Where a person considers that the actions of one or both of the Parties result or will result for him in taxation not in accordance with the provisions of this Agreement, he may, irrespective of the remedies provided by the domestic law of those Parties, present his case to the competent authority of the Party of which he is a resident or, if his case comes under paragraph 1 of Article 22, to that Party of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.

2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Party, with a view to the avoidance of taxation which is not in accordance with the Agreement. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Parties.

3. The competent authorities of the Parties shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.

4. The competent authorities of the Parties may communicate with each other directly, including through a joint commission consisting of themselves or their representatives, for the purpose of reaching an agreement in the sense of the preceding paragraphs.

ARTICLE 25**EXCHANGE OF INFORMATION**

1. The competent authorities of the Parties shall exchange such information as is foreseeably relevant for carrying out the provisions of this Agreement or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Parties, or of their local authorities, insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Articles 1 and 2.

2. Any information received under paragraph 1 by a Party shall be treated as secret in the same manner as information obtained under the domestic laws of that Party and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to the taxes referred to in paragraph 1, or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

3. In no case shall the provisions of paragraphs 1 and 2 be construed so as to impose on a Party the obligation:

- a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Party;
- b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Party;

- c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (*ordre public*).

4. Any request for information shall be formulated with the greatest detail possible and, in particular, the competent authority of the Party making a request (“the Requesting Party”) shall provide the following information to the competent authority of the other Party (“the Requested Party”) when making a request for information:

- a) the identity of the person under examination or investigation;
- b) a statement of the information sought including its nature and the form in which the Requesting Party would prefer to receive it;
- c) the tax purpose for which the information is sought;
- d) the period for which the information is requested;
- e) the reasons for believing that the information requested is foreseeably relevant to tax administration and enforcement of the requesting Party, with respect to the person identified in subparagraph (a) of this paragraph;
- f) the grounds for believing that the information requested is held in the Requested Party or is in the possession or obtainable by a person within the jurisdiction of the Requested Party;
- g) to the extent known, the name and address of any person believed to be in possession of or able to obtain the requested information;

- h) a statement that the request is in conformity with the law and administrative practices of the Requesting Party and the competent authority of the Requesting Party would be able to obtain the information under the laws of the Requesting Party or in the normal course of administrative practice and that it is in conformity with this Agreement;
- i) a statement that the Requesting Party has pursued all means available in its own territory to obtain the information, except those that would give rise to disproportionate difficulties.

5. If information is requested by a Party in accordance with this Article, the other Party shall use its information gathering measures to obtain the requested information, even though that other Party may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 but in no case shall such limitations be construed to permit a Party to decline to supply information solely because it has no domestic interest in such information.

6. In no case shall the provisions of paragraph 3 be construed to permit a Party to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.

ARTICLE 26

MEMBERS OF DIPLOMATIC MISSIONS AND CONSULAR POSTS

Nothing in this Agreement shall affect the fiscal privileges of members of diplomatic missions or consular posts under the general rules of international law or under the provisions of special agreements.

ARTICLE 27**ENTRY INTO FORCE**

1. The Parties shall notify each other in writing that the legal requirements for the entry into force of this Agreement have been complied with.
2. The Agreement shall enter into force thirty days after the date of the later of the notifications referred to in paragraph 1 and its provisions shall have effect in respect of taxes on income derived or accrued during any taxable period or accounting period, as the case may be, beginning on or after the first day of January immediately following the date on which the Agreement enters into force.
3. The provisions of Article 25 of this Agreement shall be applicable in respect of tax years beginning on or after the first day of January immediately following the date on which this Agreement enters into force.

ARTICLE 28**TERMINATION**

This Agreement shall remain in force until terminated by a Party. Either Party may terminate the Agreement by giving written notice of termination at least six months before the end of any calendar year beginning after the expiration of a period of five years from the date of its entry into force. In such event, the Agreement shall cease to have effect in respect of taxes on income derived during any taxable period or accounting period, as the case may be, beginning on or after the first day of January immediately following the date on which the notice of termination is given.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto, have signed this Agreement.

DONE at St. Peter Port this seventh day of April 2014 and at
 Monaco this fourteenth day of April 2014
 in duplicate in the English and French language, both texts being equally
 authentic.

For the States
 of Guernsey

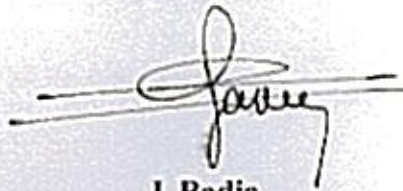
Chief Minister



Deputy J. Le Tocq

For the Government
 of the Principality of Monaco

Minister for Foreign Affairs
 and Cooperation



J. Badia



(NB The Policy Council supports the proposal to ratify the Agreement made with the Government of the Principality of Monaco. The Policy Council is of the view that the proposal complies with the Principles of Good Governance.)

The States are asked to decide:-

XI.- Whether, after consideration of the Report dated 7th May, 2014, of the Treasury and Resources Department, they are of the opinion to declare that the Agreement made with the Government of the Principality of Monaco, as appended to that Report, has been made with a view to affording relief from double taxation, and that it is expedient that those double tax arrangements should have effect, so that the arrangements have effect in relation to income tax in accordance with section 172(1) of the Income Tax Law, 1975, as amended.

COMMERCE AND EMPLOYMENT DEPARTMENT

AMENDMENTS TO STATUTORY MINIMUM WAGE ARRANGEMENTS TO COME INTO FORCE ON 1 OCTOBER 2014

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

6th May 2014

Dear Sir

1. Executive Summary

1.1 In accordance with the provisions of the Minimum Wage (Guernsey) Law, 2009, the Department is seeking States' agreement to its proposals to increase the Statutory Minimum Wage rate. Changes will come into force on 1st October 2014.

1.2 The Department recommends the setting of the following Minimum Wage Rates (to come into force on 1st October 2014):-

Adult Minimum Wage Rate at **£6.65** per hour (currently £6.50 for workers aged 18 and over)

The Young Persons' Rate at **£5.55** per hour (currently £5.25 for workers aged 16 and 17)

and that, in accordance with section 33 of the Law, the States is also requested to approve 1st October 2014 for the implementation of the revised Minimum Wage rates.

The Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) (Amendment) Regulations, 2014 has been drawn up to give effect to the change in rates.

For information, it is the Board's intention to *increase* the Associated Rates (Accommodation and Food Offsets). These changes do not require the approval of the States.

Accommodation & Food Offset: **£92** per week (currently £90)

Accommodation only Offset: **£64** per week (currently £63)

In 2007 the States decided that it would **not** be appropriate to use the Minimum Wage as a marker or mechanism to establish a “living wage”. Following the States’ resolution in 2013, the Policy and Research Unit, Policy Council, is currently researching the feasibility of a Living Wage (the Living Wage Feasibility Project).

2. Introduction

- 2.1 Section 31 (3) of The Minimum Wage (Guernsey) Law, 2009 requires the States, on recommendation from the Commerce and Employment Department (the Department), to approve Regulations that set the hourly Minimum Wage Rates, prior to them coming into effect.
- 2.2 Section 5 of the Law requires the Department to carry out a public consultation prior to making regulations setting Minimum Wage Rates. This was undertaken in March 2014 and the results are presented as Appendix 1 to this report.
- 2.3 The 2007 States’ decision, to implement a statutory minimum wage, established the fundamental principle that it is unacceptable in the current social and economic climate in Guernsey for employees and workers to be paid low wages to the point of exploitation.
- 2.4 In 2010 the States approved an amendment worded as follows:-

To direct the Commerce & Employment Department, whilst having regard to the requirements of the Minimum Wage (Guernsey) Law, 2009, to take fully into account when reviewing minimum wage rates that it is a policy objective of the States of Deliberation that the young person’s minimum wage rate and the adult minimum wage rate should be equalised as soon as possible.

This view of the States has therefore become a relevant factor to be taken into account by the Department in arriving at its recommendation. (See section 3.2 (ii) below).

- 2.5 Following the introduction of the Statutory Minimum Wage in October 2010, there have been numerous enquiries from employers and employees regarding the Minimum Wage provisions. To date, three complaints have been determined by the Employment & Discrimination Tribunal and none by Civil (Magistrates) Court.

3. Considerations regarding the Minimum Wage & Associated Rates

3.1 Matters to be taken into account by the Department

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

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

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

Minimum Wage (Hourly) Rates			
	Young Persons' Rate	Adult Rate	Date effective from
Guernsey	£5.25 (aged 16-17)	£6.50 (aged 18 & over)	1 st October 2013
UK	£3.72 (aged 16-17) £5.03 (aged 18-20) <i>£3.79 (aged 16-17) £5.13 (aged 18-20) (an increase of 2%)</i>	£6.31 (aged 21 & over) <i>£6.50 per hour (aged 21 & over) (an increase of 3%)</i>	1 st October 2013 <i>Recommended increases for 1 October 2014 by the Low Pay Commission & accepted by UK government.</i>
IOM	£4.67 (aged 16) £5.24 (aged 17)	£6.40 (aged 18 & over)	1 st November 2013 (Isle of Man currently out to consultation)
Jersey	Trainee Rate for a maximum period of two years for those on training programmes accredited by Social Security Department: Year 1 £4.97 Year 2 £5.80	£6.63 (above compulsory school age, 16)	1 st April 2014

b) *The current economic and trading conditions prevailing in Guernsey*

The summary from the latest available Economic Overview for Guernsey (published 18 September 2013) states the following:

“The global picture is markedly different to last summer. Even if the underlying fundamentals of fiscal problems in Europe and the US have not been resolved, it would seem clear now that the US, UK and northern EU economies are finally set on a growth path, albeit at rates lower than experienced in previous recoveries-part of the ‘new normal’ referred to in last year’s Economic Overview.”

“Registered unemployment, both in terms of the number of people registered unemployed and the unemployment rate, rose rapidly during 2011. Although this increase slowed in 2012 and early 2013, unemployment in Guernsey remains well above the pre-recession average and was higher in March 2013 than at any point since the early 1990s.”

“Conditions in the labour market tend to lag behind improvements in the economy; the decline in unemployment in August 2013 and the slowing rate of decline of total employment suggest, albeit that perhaps it may be premature to call, that the labour market ought to improve soon. As stated earlier, improvements in general economic conditions are expected to take a little while to feed through.”

The full version is available at www.gov.gg in the Government and Administration Section (Facts & Figures - <http://www.gov.gg/CHttpHandler.ashx?id=84298&p=0>)

c) *The rate of inflation in Guernsey*

The rate of inflation can be a significant factor in future wages settlements in the private and public sector of the Guernsey economy. The locally recorded rate of inflation RPIX stood at 2.2% and RPI was 2.8% in March 2014. Previous RPIX levels were 2.1% in June 2013, 2.0% in September and 2.1% in December 2013 (RPI was 2.7% in June 2013, 2.7% in September and 2.7% in December 2013).

d) *The rate of unemployment in Guernsey*

The level of unemployment in Guernsey remains low compared to other jurisdictions.

Figures released by the Social Security Department for the week ending 29 March 2014 recorded that there were 441 people registered as unemployed and available for work, which represents 1.3% of the working population.

Whilst unemployment levels have shown a rising trend, figures still compare favourably to unemployment figures in Jersey and the UK. Jersey's Registered Actively Seeking Work Report for February 2014 states that the total number of people registered as unemployed and "non-seasonally adjusted" actively seeking work in Jersey was recorded at 1,860.¹ This latest total in Jersey is at the same level as January 2014 but is 170 lower than the same month in 2013.

e) Current rates of pay in Guernsey

Currently the States of Guernsey does not collate job-related pay data in order to determine market rates for specific jobs. However, information is available on median earnings per sector in the Guernsey Annual Earnings Bulletin for 2013. This highlights that earnings in the traditionally lower paid sectors (agriculture, horticulture, fishing, quarrying, and hostelry) remain in the lowest median earnings. The Hostelry sector had the lowest median earnings in 2013 (£17,160) which was 41.2% lower than the overall median.

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

The Guernsey Annual Earnings Bulletin 31 December 2013 gives a measure of the average change in primary earnings from employment and reflects the underlying change. The Bulletin reports the following 'Headlines':

The full version is available at www.gov.gg in the Government and Administration Section (Facts & Figures).

- *The median of all employees' earnings was £29,640 in 2013, which, compared to 2012 is 1.3% higher in nominal terms and 1.4% lower in real terms.²*
- *The median of male employees' earnings was £32,760 in 2013, 0.8% higher in nominal terms and 1.9% lower in real terms than in 2012.*
- *The median of female employees' earnings was £26,000 in 2013, 0.5% higher in nominal terms and 2.2% lower in real terms than in 2012.*

¹ N.B. Statistics are not available to show what percentage of the working population this represents. The only internationally comparable unemployment rate (as defined by the International Labour Organisation, ILO) for Jersey is measured through the 2011 census. On 27 March 2011, measured by this census, the ILO rate was 4.7%, corresponding to 2,569 being unemployed at that time).

² Nominal earnings are expressed at monetary values of the stated time period, i.e. without making allowance for changes in inflation over time. Real earnings are presented to show trends after the effects of inflation have been removed.

- *Employees aged 40 to 44 had the highest median earnings in 2013 at £36,010, whilst 15 to 19 year old employees had the lowest median earnings at £15,990.³*

g) *Such other factors that appear to the Department to be relevant*

The following were identified as relevant when considering the statutory minimum wage rates:-

- Public and political expectations.
- Creating a level playing field for employers recruiting staff from off-island in competition with the UK, Jersey and the Isle of Man.
- The risk to financially vulnerable businesses.

3.2 The Department's comments on the other relevant factors

i. Public and political expectations

The introduction of a statutory minimum wage aimed to ensure that the '*... worst cases of financial exploitation in employment were eliminated*'. Given that only three complaints having been determined by the Employment and Discrimination Tribunal, the Commerce and Employment Department would suggest that the rate is respected by most employers.

ii. Equalising the Minimum Wage Rates for all ages

The UK Low Pay Commission Report 2014 states that "*... the labour market position of young people showed signs of improvement over the past year, although youth employment remains below its pre-recession level, this is largely due to the increasing number of young people staying in full-time education.*"

Since its formation the Commission has believed that the minimum wage:

*"...should be set at a lower level for young people. The evidence continues to show that they are more vulnerable in the labour market, and the threat of unemployment is greater for younger workers. When in unemployment, young people should of course be protected from exploitation, but we do not want the level of the minimum wage to jeopardise their employment or training opportunities."*⁴

³ The number of hours worked are not recorded and the difference between male and female earnings and also between age groups '*may result from differences in number of hours worked as well as differences in rates of pay*'.

⁴ Extract from Low Pay Commission Report 2014 - <https://www.gov.uk/government/publications/national-minimum-wage-low-pay-commission-report-2014>

The Chair of the Low Pay Commission, David Norgrove said:

“The prospects for the UK economy in the short to medium term are much better than those in January 2013. Then forecasts for growth were revised down. This time they are being revised up. That optimism has carried through to the labour market and into the forecasts for employment and unemployment in 2014 and 2015. Despite the weakness in output growth, the labour market continued to perform well in 2013.

However, wage growth and pay settlements continue to be subdued and remain well below the increases recorded before the recession. Real wages have continued to fall. Looking forward, inflation expectations are subdued and the CPI is forecast to be around target over the next year or so.....

Because the economic outlook is more optimistic, the labour market has performed strongly and the National Minimum wage has fallen a little as a proportion of median earnings, we see headroom to recommend a larger increase than in recent years.

*In 2011 and 2013 we recommended smaller increases for young people than for adults and in 2012 we reluctantly recommended freezing their rates because the labour market of young people has been worse than that of adults. However, the employment position of young people does now appear to have stabilised. **We continue to believe that the youth rates should increase by more than the adult rates when economic circumstances permit.**”*

Notwithstanding the Low Pay Commission recommendations, the UK intends to increase the adult minimum wage from 1 October 2014 by 3% to £6.50 per hour for those aged 21 and over and by 2% to £3.79 (aged 16-17) and to £5.13 (aged 18-20).

The Department also noted the consultation responses. Out of 38 responses, **25** (65.8%) suggested increases varying from £6.60 to £10.00 per hour (see summary below).

The local employment statistics show that youth unemployment in Guernsey as at week ending 29 March 2014, as a percentage of total unemployment, is relatively low at 14.2%⁵ in the 16-19 age group. It is worth noting that this percentage rate is higher than the 12.5% recorded for the same period in 2013.

⁵ UK unemployment rate for 16-24 years old was 19.8% for November 2013 to January 2014, down 1.4 percentage points from the previous year. The rate for those aged 16-17 was 36.6%. 16% of teenagers aged 16-19 were registered as actively seeking work as at 28 February 2013.

Having reviewed the matter and the consultation responses, the Department continues to believe that the Young Persons' Rate incentivises employers to hire young people and to give them the opportunity to learn and develop essential labour market skills. It believes the young persons' rate should be retained but increased at a greater rate than the adult rate in view of the aspiration expressed in the States Resolution of 2010 to equalise the youth and adult rates as soon as possible.

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

As many industries in Guernsey rely on seasonal workers, the Department believes that the minimum wage rates must strike a balance between setting rates that are affordable to all or most employers operating in Guernsey, yet does not fuel the perception given to potential employees that Guernsey "pays low wages".

The Department's decision on the adult minimum wage rate means that the rate in Guernsey is higher than the UK rate, but is similar to that set in Jersey. (See Table 1). (It should also be noted that the qualifying age for the UK adult minimum wage is 21 years and in Jersey above school leaving age of 16, as opposed to 18 years in Guernsey.)

iv. The risk to financially vulnerable businesses

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

Although the Department believes that there is still some degree of uncertainty in the economy and the local labour market, the Guernsey Economic Overview released in September 2013 believes the economy will grow by a forecasted 1.4% in 2014. Therefore, it believes it is prudent to increase the rates below which no worker in Guernsey should be paid, in order to maintain the value of having a minimum level of pay. The Department is confident that the majority of businesses will be able to adapt to an increase in the statutory minimum wage, as they would adapt to any other increase in cost to their business.

4. Consultation

- 4.1 Between 3 March and 31 March 2014, the Department carried out a public consultation on minimum wage rates. Some 250 consultation papers were sent out to targeted groups including, hospitality, care and residential homes, agriculture and horticulture, trade unions and staff associations and groups

representative of employers in Guernsey. Individual States members were also circulated with consultation papers and invited to comment.

- 4.2 Members of the public were also invited to contribute as individuals through the Commerce and Employment (Employment Relations) website. Media releases giving full details of the consultation were made available to all the local media.
- 4.3 A summary of the responses to the public consultation is in Appendix 1 to this report.
- 4.4 The Law Officers of the Crown have been consulted on the drafting of the necessary regulations to give effect to the recommendations in this report. The regulations recommended by the Law Officers were subsequently made by the Commerce and Employment Department.

5. Conclusions

- 5.1 Having considered the criteria and relevant factors as set out in the Law, the Department has concluded that there is a case to increase the Statutory Minimum Wage Rates with effect from 1st October 2014.
- 5.2 The Department does not want to peg this to a particular measure of inflation, but considers that the change this year should reflect increases in costs. However, even though the economy is showing signs of growth, it is the view of the Department that the Adult Rate should not be increased above pay increases seen in the island. Neither does the Department believe that equalisation of the Young Persons' Rate with the Adult Rate is appropriate this year.
- 5.3 Youth unemployment rates have remained steady over the past 2 years and there may be a potential risk of increasing youth unemployment were equalisation to be made. There is merit in differentiation in the minimum rates for those entering the labour market for the first time. Nevertheless, the Department has taken into account the aspiration expressed in the States resolution regarding the youth rate, and recommends a greater increase (double in monetary terms) in this rate than that recommended for the Adult rate. The proposed changes will bring about a decrease in the difference between the two rates from the present £1.25 to £1.10 from 1st October.
- 5.4 The Department believes that it has complied fully with the six principles of corporate governance in the preparation of this States Report.

6. Recommendations

- 6.1 The Department recommends that the States:
 - (a) Approves The Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) Regulations, 2014 (as set out in Appendix 2 to this Report) which increases the Minimum Wages Rates, as set out below:-

Adult Minimum Wage Rate to be set at **£6.65** per hour (For workers aged 18 and over).

Young Person's Minimum Wage Rate to be set at **£5.55** per hour (For workers aged 16 and 17).

- (b) Approves that the new rates (recommended at 6.1 (a) above) shall come into effect on 1st October 2014.

Yours faithfully

K A Stewart
Minister

A H Brouard
Deputy Minister

D de G De Lisle
L B Queripel
H J R Soulsby

Advocate T Carey
Non States Member

Appendix 1: Summary of 2014 Minimum Wage Consultation Responses

Answer Options	Response Count
Employee	15
Trade Union	1
Employer	21
Employers' Association	2

Question 2: Should the Minimum Wage and Associated Rates be changed with effect from 1 October 2014 or remain the same?

Answer Options	No Change	Yes Change	Response Count
Minimum Wage Rate Over 18 years (currently £6.50 per hour)	34.2%(13)	65.8% (25)	38
Minimum Wage Rate 16-17 years (currently £5.25 per hour)	35.1% (13)	64.9% (24)	37
Max Accommodation Only Offset (currently £63 per week)	64.9% (24)	35.1% (13)	37
Max Accommodation and Food Offset (currently £90 per week)	64.7% (22)	35.3% (12)	34

Question 3: In conjunction with Question 2, respondents were asked to indicate the suggested rate for introduction on 1 October 2014 if they had responded 'Yes' to a proposed change in the rates.

A summary of the new rates suggested is outlined below:

Adult rate (Over 18 years)

Of the 25 who responded, 21 suggested increases in the Adult Rate varying from £6.60 to £10 per hour. 4 respondents did not suggest any changes. Of these responses, three broad trends emerged:

- 8 respondents suggested increases within the band of £6.60 to £6.75
- 9 suggested increases between £7 and £8
- 4 respondents suggested increases of £8.50 and over with 1 respondent suggesting £10 per hour.

Young Persons' Rate (16-17 years)

24 suggested changes to the Young Persons' Rate; of these, 5 made no suggestions as to a proposed rate and one respondent suggested a lower rate of £3. Again, three broad trends emerged:

- 6 respondents suggested a rate of between £5.39 and £5.75 per hour
- 6 suggested rates set at £6.00
- 6 suggested rates varying between £6.25 and £8.00

Maximum Accommodation Only Offset

13 responded 'yes' to a change in the Maximum Accommodation Only Offset Rate. Of these, 12 suggested increases (see below). 1 respondent did not address the question.

The majority of responses (10) were in the range of £64.70 to £75.

- 6 respondents suggested increases to the offset within the range of £64.70 to £67.50
- 5 respondents suggested an increase between £70 and £80
- The highest offset suggested was put at £100 (1 response)

Maximum Accommodation and Food Offset

Of the 12 who confirmed that this offset should be changed, 11 respondents suggested changes (1 respondent did not answer the question clearly).

- The majority of responses (8) suggested offset rates between £92.43 and £100
- The remaining 3 responses suggested offset rates at £110, £120 and £150.

Comments/extracts received concerning the Minimum Wage or Associated Rates

"As stated in the past I believe that the Young Person's Rate should remain. Guernsey young person's rate fairs very well with other jurisdictions mentioned."

"Our entire workforce received a ZERO pay increase for 2014. Trading is difficult and unfortunately costs seem not to come down and generally increase at more than RPI. For this reason I would advocate not to increase the MW by any more than the rate of RPI at 30.09.2014."

"I believe you should keep the young person's rate - it encourages employers to give youngsters who may have just left school an opportunity to gain experience... Costs are very high for employers in Guernseyso we have to ensure wages do not jump too high and make some sectors unsustainable."

“The increase in the number of young people struggling to find work is directly related to the minimum wage”.

“You will be aware that catering is somewhat different employment situation. Staff generally receive more than the minimum wage, but also benefit from Subsidies - food and lodgings, hence the minimum wage probably equates to around £8.50 per hour”

“As an employer that provides open market accommodation and food, it is difficult for me to see what inflation costs have been incurred by staff to warrant an RPI Increase each year. I don't believe that minimum wage actually creates jobs in Guernsey. If the idea is to give lower paid more money, why not increase their tax allowance? How can you justify offset for food and accommodation when UK doesn't.”

“We are supportive of the continuation of the separate tier for younger persons as we believe that it makes it easier for the young people to enter the job market particularly as trainees. For this same reason it may be more helpful to keep the rate unchanged.”

“Rates should be allowed to find their own level. Increasing the young person's rate will make it harder for them to get such work, and put more pressure on employees”

“Current rates for 16 to 17 year old are too high and discourage employers taking on these un-experienced persons.”

“Profit margins continue to be very tight in our sector. An increase for a fourth year with no possibility in increased turnover would be damaging to our industry. There is justification for maintaining the Young Person's Rate.”

“Horticultural business and minimum wage has made Guernsey uncompetitive for the export of horticultural produce to UK which is leading to the faster demise of the industry.”

“Of course, the minimum wage should not be increased to a level that would be damaging to most businesses in the island, but it is a balancing act. I hope that Commerce and Employment will also continue to aim to bring closer together the adult rate and the younger persons' rate in accordance with the States' resolution on this.”

Appendix 2:GUERNSEY STATUTORY INSTRUMENT2014 No.**The Minimum Wage (Prescribed Rates and Qualifications)
(Guernsey) (Amendment) Regulations, 2014**

<i>Made</i>	<i>6th May, 2014</i>
<i>Coming into operation</i>	<i>1st October, 2014</i>
<i>Laid before the States</i>	<i>, 2014</i>

THE COMMERCE AND EMPLOYMENT DEPARTMENT, in exercise of the powers conferred on it by sections 1(3), 3(1) and 31 of the Minimum Wage (Guernsey) Law, 2009^a and all other powers enabling it in that behalf, hereby makes the following Regulations:-

Substitution of schedule to principal Regulations.

1. The principal Regulations are amended by substituting, for the Schedule to those regulations, the schedule contained in the Schedule to these Regulations.

Interpretation.

2. (1) In these Regulations, "**the principal Regulations**" means the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) Regulations, 2012^b.

(2) The Interpretation (Guernsey) Law, 1948^c applies to the interpretation of these Regulations –

^a Order in Council No. I of 2010; as amended by Order in Council No. XIII of 2010.

^b G.S.I. No. 40 of 2012; as amended by the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) (Amendment) Regulations, 2013.

^c Ordres en Conseil Vol. XIII, p. 355.

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

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

(3) Any reference in these Regulations to an enactment is a reference thereto as from time to time amended, re-enacted (with or without modification), extended or applied.

(4) For the avoidance of doubt, unless the context requires otherwise, an expression used in these Regulations has the same meaning as in the Minimum Wage (Guernsey) Law, 2009.

Transitional and savings provisions.

3. (1) These regulations do not have effect in relation to any worker and his work until the first day of the first pay reference period of the worker in respect of that work.

(2) For the avoidance of doubt, before the first day of the first pay reference period of the worker in respect of that work, the principal Regulations have effect in relation to that worker and that work as if these Regulations had not been made.

(3) In this regulation, "**the first pay reference period**", in relation to a worker and his work, means the first pay reference period of the worker, in respect of that work, beginning on or after the date specified in regulation 4 for these Regulations to come into force.

Citation and commencement.

4. These Regulations may be cited as the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) (Amendment) Regulations, 2014 and come into force on the 1st October, 2014.

Dated this day of , 2014

K. A. STEWART

Minister of the Commerce and Employment Department

For and on behalf of the Department

Regulation 1.SCHEDULESCHEDULE TO BE SUBSTITUTED FOR THE SCHEDULE TO THE PRINCIPAL
REGULATIONS"SCHEDULE
MINIMUM WAGE RATES

Regulations 1(1) and 2(1)

Adult Minimum Wage Rate	£6.65 per hour.
Young Person's Minimum Wage Rate	£5.55 per hour."

EXPLANATORY NOTE*(This note is not part of the Regulations)*

These Regulations replace the minimum wage rates for adults and young persons with the new rates of £6.65 per hour and £5.55 per hour, respectively, for the purposes of the Minimum Wage (Guernsey) Law, 2009 ("the Law").

Under section 31(3) of the Law, these Regulations do not have effect until approved by a resolution of the States. If so approved, these Regulations will come into force on the 1st October, 2014. The new rates will then take effect on and from the first day of the first pay reference period of each worker in respect of any particular work.

(NB As there are no resource implications in this report, the Treasury and Resources Department has no comments to make.)

(NB The Policy Council has commented as follows:

Minimum Wage

The Minimum Wage is *not* calculated to provide an adequate income. It is simply intended to prevent employers paying rates so low as to amount to exploitation. It is openly assumed that the Minimum Wage earned by any individual may need to be topped up by a variety of welfare benefits that relate to their individual household circumstances.

Living Wage

According to the UK Living Wage Commission, a Living Wage is “*an hourly wage defined as the minimum amount of money needed to enjoy a basic, but socially acceptable standard of living*”.

The Policy Council notes that the Commerce and Employment has complied with the Minimum Wage (Guernsey) Law, 2009 in making its recommendations about the appropriate increase in the Minimum Wage rate to be recommended to the States. Having taken a range of factors into account, the department has had to reach what is inevitably a subjective judgment about the level of pay necessary to prevent the exploitation of workers.

When the Minimum Wage Rate was last reviewed and increased by the States in August 2013 the Commerce and Employment Department’s recommendations were approved subject to an amendment, “*To direct the Policy Council, with the assistance of the Commerce and Employment and Social Security Departments, to investigate the implications for, and impact upon, Guernsey of the establishment of a ‘living wage’ measurement and to report back with the conclusions of its investigation by no later than 30th April 2015*”.

That investigation is underway and a political group with cross-departmental representation is considering the wider and complex issues to do with labour market economics, and what is often called ‘working poverty’, that have a bearing on the subject. The forthcoming report next spring will provide the States with a better informed basis for reviewing their approach to wage regulation in 2015 than is currently available.

In addition, there are a number of other initiatives that have a bearing on the topic that are each due to report this year or early next year: the Personal Tax and Benefits Review; the Social Welfare Benefits Investigation Committee (SWBIC) review of Supplementary and Housing Benefits; the

Supported Living and Ageing Well Strategy; and the establishment of an agreed mechanism for measuring poverty in Guernsey.

In the meantime, the Policy Council will bring a report to the States this September identifying the linkages between these various initiatives, and how they are to be progressed individually and in relation to one another

The Policy Council supports the current proposals, but highlights that it is likely that in due course a more fundamental review of the Minimum Wage should be undertaken informed by at least the initial findings of these other initiatives.

The Policy Council is of the view that the proposal complies with the Principles of Good Governance.)

The States are asked to decide:-

XII.- Whether, after consideration of the Report dated 6th May, 2014, of the Commerce and Employment Department, they are of the opinion:-

1. To approve The Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) Regulations, 2014, as set out in Appendix 2 to that Report, which increases the Minimum Wages Rates, as set out below:-
 - Adult Minimum Wage Rate to be set at £6.65 per hour (For workers aged 18 and over).
 - Young Person's Minimum Wage Rate to be set at £5.55 per hour (For workers aged 16 and 17).
2. To approve that 1st October 2014 shall be the date for implementation of the Commencement Order and the Regulations to give effect to the Law.

PUBLIC SERVICES DEPARTMENT

BELLE GREVE PHASE IV – PROPOSED OUTFALLS REPLACEMENT

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

3rd April 2014

Dear Sir

Executive Summary

- 1.1 The purpose of this report is to seek States approval for tender documents to be issued for the design and build of a replacement long sea outfall and replacement or refurbishment of the short sea outfall for the Belle Greve Wastewater Centre (BGWwC).
- 1.2 Further approval is requested for the Treasury and Resources Department to be granted delegated authority to approve the award of a contract to the preferred bidder providing costs are returned within the estimated figure of £18.6 million.
- 1.3 The need to issue the tender and subsequently engage with the preferred bidder at an early stage is owing to:
 - the intention to undertake the work in 2015 (marine work such as this must be undertaken in the spring / summer period of April to end-September, hence any delay will jeopardise meeting the 2015 window);
 - the expectation that this contract will be awarded on a “design and build” basis, which means that no further significant design work to scope out the requirements can be undertaken until a preferred bidder has been engaged; and
 - the fact that this work is the last part of a five phase programme of updating and upgrading works at the BGWwC and the full benefit of the treatment and disposal of sewage effluent will not be achieved until completion of this phase.
- 1.4 This project is part of the overall programme strategy for the BGWwC and is the last of five projects approved in 2007. The need was reaffirmed in 2012 when the States agreed that the long sea outfall serving the BGWwC should be replaced and extended as recommended in the coastal dispersion modelling report (see paragraph 2.8 for more details).

Background

- 2.1 In October 2007, the Public Services Department presented to the States ¹ outline proposals for the refurbishment and upgrading of the Belle Greve wastewater disposal facilities (pumps, pipework, etc.) to be undertaken in five phases. These were:
1. Phase I (£1.3 million) - auxiliary pumping station and discharge pipework to main outfall and Red Lion outfall. This was approved by the States, with delegated power granted to Treasury and Resources to approve the acceptance of tenders, and undertaken 2008;
 2. Phase II (£0.2 million) – outfall survey. Funding was approved by Treasury and Resources in 2006 and work undertaken in phases between then and 2008;
 3. Phase III (£2.6 million) – upgrading of main pumping station. Approved September 2008 (Billet XV), undertaken 2009;
 4. Phase IV – subject of this report;
 5. Phase V (£11.03 million) - construction of preliminary treatment and provision of a storm water retention facility. Approved December 2011 (Billet XXI), completed 2013 (see below for further details).
- 2.2 This report describes Phase IV of the programme as the replacement of the long sea outfall and replacement or refurbishment of the short sea outfall serving the Belle Greve works, with estimated costs.
- 2.3 In 2009 owing to the then impending sewage treatment debate and the state of disrepair of the existing treatment facilities it was agreed to accelerate Phase V, which involved upgrading facilities that had already gone beyond their functional life span, in advance of Phase IV, and to revisit options for the outfall once a clear decision on future sewage treatment had been made.
- 2.4 Phase V of this programme commenced in March 2012, and involved replacing the obsolete grit removal equipment and comminutors² which were ineffective, prone to failure and had failed completely by the time construction of Phase V commenced.
- 2.5 The Phase V works involved:
- Conversion of the Phase I auxiliary pumping station (PS) enabling flows to be lifted (i.e. pumped) into the new treatment area;
 - Conversion of the existing grit removal/comminutor area into the new storm flow pumping station;
 - Provision of a new inlet flow screening facility (3no. screens capable of screening flows to a maximum of 6mm in any two dimensions);
 - Provision of a new grit removal system;

¹ Billet d'Etat XXI, 2007

² A mechanical device that cuts, grinds or pulverises solid sewage waste into smaller items prior to discharge or further treatment

- Provision of 4000m³ of storm storage facility;
- Provision of new storm flow screening (2no. to a maximum of 6mm in any two dimensions);
- Provision of odour control for the new works, which were all enclosed for both aesthetic and environmental reasons.

- 2.6 Phase V was completed on time and within budget in August 2013. As a result, the Island now has appropriate modern, fully functioning preliminary sewage treatment facilities, including a reliable pumping capability, thereby minimising the risk of failures and consequent flooding.
- 2.7 This report deals only with Phase IV, namely the replacement of the long sea outfall (LSO) and replacement or refurbishment of the short sea outfall (SSO) facilities serving the BGWwC.
- 2.8 In January 2009, following a successful amendment to its wastewater charging report in Billet II, 2009, the Public Services Department was instructed “*to report back to the States with comprehensive proposals for full sewage treatment, including proposals for its funding, by no later than January 2012.*” The resultant report was presented to the States in January 2012³ as a result of which they resolved, *inter alia*, as follows:

To proceed with the design of a replacement long sea outfall using the Intertek METOC⁴ model to incorporate:

- i) the optimum length and location of pipe to achieve the greatest environmental benefit;*
- ii) the installation of five diffusers in order to achieve dilution standards at the sea surface around the point of final effluent discharge*

The recommendations from the Intertek METOC report are included in Appendix E.

- 2.9 More detailed information surrounding the need for this work and the preliminary design undertaken to date can be found in the Strategic Outline Case (see Appendix F).
- 2.10 In September 2013⁵, the States gave Category A status to phase IV of the Belle Greve upgrading works with estimated costs of £15 million (excluding contingency allowance). Subsequent discussions and advice have suggested the inclusion of a higher contingency allowance for this complex and technically challenging project which has increased the costs accordingly.

³ Billet d’Etat III, 2012

⁴ Intertek (Metoc) survey report “Discharge of Preliminary Treated Wastewater to the Little Russel”, 7 Sept 2011

⁵ Billet D’Etat XIX, 2013

Proposed Scope of Work

- 3.1 The BGWwC receives 99.8% of the Island's foul water flow, together with a significant proportion of the storm water flow, and discharges both to sea through a long sea outfall which terminates in the Little Russel about 1,700 metres offshore. Flows in excess of the pumping and pipeline capacity and volume of retention tank storage are discharged through the SSO approximately 500 metres off shore to mean low water spring level.
- 3.2 In relation to the outfalls the current situation is as follows:
- the existing LSO is almost 45 years old and has been surveyed on two occasions in the last 15 years by independent consultants/contractors who concluded that the remaining life of the asset is set between 0 and 10 years (the latest survey report was commissioned in 2011);
 - the current discharge point is approximately 350-400 metres away from the "optimum zone"⁶ of dispersion/dilution to obtain maximum performance from a marine outfall; hence it should be extended to even deeper and faster flowing tidal streams in the Little Russel;
 - the SSO is over 100 years old and is in a very poor state of repair. It is laid on the beach/foreshore and is in part on timber supports, and has several "air-vents" (or purposely installed openings) along its length where sewage can discharge prematurely and cause potential pollution and contamination above mean low water mark. During the period of intense storms in early 2014, further damage to the outfall was noted with air vents being displaced and additional collapse or settlement of the downstream section (see photographs in Appendix B);
 - the loss of either outfall would have a very significant impact on the environment, ecology, public health and reputation of the Island. The loss of one or both outfalls would require prolonged discharge of sewage onto the foreshore at Belle Greve Bay for many months, possibly for more than a year, until a repair and subsequent new pipe could be installed (dependent on where the failure occurred). The lack of facility to discharge sewage into the Little Russel or even below mean low water spring tides would limit the dispersion and treatment of sewage and hence the build up of bacteria and other contaminants in the Bay would be likely. The contaminated flow would be likely to drift to both St Peter Port and St Sampson's Harbour areas where visual evidence of the sewage "slick" would be apparent and would be very slow in dispersing and being disposed of through natural processes. It is likely that many areas of the eastern coast would need to be closed to public access until the issue had been resolved.

⁶ As determined from the Intertek (Metoc) survey report "Discharge of Preliminary Treated Wastewater to the Little Russel", 7 Sept 2011

- 3.3 Owing to the specialised nature of marine outfall manufacture and installation, it is proposed that the most appropriate strategy is to undertake the work using a “design and build” (D&B) approach. It is envisaged that although many contractors may tender there are very few within Europe that will have experience of installing an outfall in the conditions that can be expected around the Little Russel and Belle Greve Bay area; these consist of a high tidal range (greater than 10 metres), fast flowing tidal streams (up to 5 knots) and challenging geological conditions from the hard and abrasive “gabbro” granite which is likely to be encountered. Therefore, the D&B approach will make best use of the experience of the main contractors, minimise abortive design development through third party consultants and allow significant risk to be transferred to the contractor should this be considered appropriate. For example, the level of weather risk could be transferred fully to the contractor, with consequent increase in costs; retained within the States of Guernsey and delays paid for should inclement conditions be experienced; or a compromise where a fixed duration of “down-time” delay is held by the contractor and the States of Guernsey cover anything above this level.
- 3.4 Experience of previous outfall construction schemes and D&B forms of contract in general have highlighted the need for the main contractor to be involved as early as possible with the design and development of this type of work. Hence it is considered that little benefit will be achieved by undertaking significant further preliminary design before engaging with the preferred bidder.
- 3.5 A preliminary sea bed survey was undertaken in March 2014 which covered two main areas:
- bathymetric (sea bed depths) of the Belle Greve Bay area extending to the east to Brehon Tower; and
 - Sub-sea bottom seismic study (to identify depth to rock head below sea bed where covered by sands, silts and gravels).
- 3.6 The results of this study will be used to identify potential/possible routes for sea-bed laid outfall options and will be provided to the bidders to assist in route selection should this method of construction be adopted.

Procurement

- 4.1 An Expression of Interest document (EoI) was issued on the Channel Island Tender Portal on 10 February 2014 with a closing date of 28 February 2014. A total of 14 companies submitted Expressions of Interest, as follows:
- ABCO Marine Ltd
 - Abeko Dredging & Marine Contractors
 - Geomarine Guernsey Ltd
 - Brecqhou Development Ltd
 - Brenwal Ltd
 - Commercial Marine & Piling Ltd
 - Jan De Nul NV

- Kaymac Marine & Civil Engineering Ltd
- Nuttall John Martin
- P.Trant (Jersey) Ltd⁷
- Trant Construction Ltd
- Van Oord UK Ltd
- Volkerstevin Ltd
- XEIAD

- 4.2 All companies that submitted an EoI were issued with a Pre Qualifying Questionnaire (PQQ) in May 2014 with a return date later the same month.
- 4.3 Following assessment of the PQQ's a select list of suitable contractors (no more than six) will be invited to provide further information.
- 4.4 Bidders will be expected to provide details on the commercial proposals (the cost estimates for the design and implementation elements) and company information (the quality submission). Owing to the specialist nature of the work involved it is proposed that returns will be scored on the basis of a 30% cost/70% quality split.

Programme

- 5.1 The programme for the further development and implementation of the project is given in outline below:-

Scope of Works	Commencement	Completion
Issue Tender Documents	July 2014	-
Tender Evaluation	Sept 2014	Oct 2014
Award Contract	Dec 2014	-
Detail Design	Jan 2015	Mar 2015
Construct Outfalls	Apr 2015	Oct 2015
Contract Completion	-	Oct 2015

Approvals

Capital Prioritisation Gateways

- 6.1 In accordance with the requirements of States of Guernsey Strategic Capital Investment Portfolio (SCIP) guidance, a Gateway Review process has been undertaken on the project at critical stages to provide assurance that it continues to meet the business case and delivery strategy.

⁷ P Trant (Jersey) Ltd is a duplicate of the Trant Construction Ltd EoI and only the latter will be considered for inclusion on the select list for the ITT.

- 6.2 The Gateway Stage 1 Review (GW1R) was held on 19 February and recommended that the project proceed to the next stage. In particular the Summary Recommendations state:

“... the Review Team considers the case for replacing the existing Long Sea Outfall (“LSO”) and replacing or enhancing the Short Sea Outfall (“SSO”) compelling.”

Planning Approvals

- 6.3 The Environment Department has been consulted in respect of the implications of this project. An Environmental Impact Assessment (EIA) Screening Report is to be submitted; however it is expected that a full EIA will not be required for the permanent works, but may be needed for the impact during the construction period once the construction route, method and technique has been determined and finalised.

Budget

- 7.1 A preliminary cost estimate of £4 million was included in the Treasury & Resources Department’s Capital Prioritisation report submitted in 2009 (Billet IX) for “outfall refurbishment and upgrading”. The subsequent condition survey and dispersion / dilution modeling has concluded that refurbishment is not a feasible option. The report also stated that “there is a potential future requirement to replace the long sea outfall at a budget cost of £10 million”. This was estimated before the “optimum zone” for discharge had been identified, which requires the outfall to be extended by approximately 350-400 metres and introduces additional associated costs.
- 7.2 The additional length required together with the rejection of a refurbishment option of the LSO and the inclusion of the proposal to replace or refurbish the SSO has resulted in increased costs for the construction of a replacement outfall. The current estimate (including contingency allowance) is £18.6 million. (See Appendix C for a more detailed breakdown.) It is not possible to provide a more confident and robust estimate until a preferred bidder has been appointed.

Communications Plan

- 8.1 Once this project has been approved to proceed to ITT stage, a communications plan will be developed to ensure a comprehensive programme of liaison and information sharing is undertaken.

Recommendations

The Public Services Department therefore recommends the States:-

1. To approve the issue of tender documents for the Belle Greve Phase IV Project for the design and build of the replacement of the long sea outfall and replacement or refurbishment of the short sea outfall;
2. To grant delegated authority to the Treasury and Resources Department to approve award of the contract to the preferred bidder, providing costs are returned within the estimated figure of £18.6 million as presented in the States Report “States Capital Investment Portfolio”

Yours faithfully

P A Luxon
Minister

S J Ogier
Deputy Minister

Y Burford

D J Duquemin

R A Jones

Appendix A - Principles of Good Governance

The proposals contained within this report are closely aligned with the six principles of good governance as set out by the Public Accounts Committee and adopted by the States of Deliberation in March 2011 as follows:-

Core Principle 1- Good Governance means focusing on the organisation's purpose and on outcomes for citizens and service users.

This project includes the replacement of high risk of failure assets with minimal options for alternative means of satisfactory disposal of sewage effluent should the outfall suffer catastrophic failure, without resort to discharging directly onto the foreshore above mean high water level. The overall solution for the Belle Greve Wastewater Centre makes optimum use of the natural phenomena around the Island for sewage disposal which is sustainable, resilient and ecologically beneficial compared with other means of disposal. This project fulfils an element of the Public Service Department's purpose and the outcome will benefit the citizens and users of the facility.

Core Principle 2 – Good Governance means performing effectively in clearly defined functions and roles.

The project has progressed under the authority of the Chief Officer with the responsibility for achieving a successful outcome delegated to the Project Board in accordance with Prince2 principles. The contract will proceed to the design and construction phase under the control of the Project Manager led by the Senior Responsible Officer and assisted by the Project Team. Each member of the Project Board and Project Team has a clearly defined role which is on record.

Core Principle 3 – Good governance means promoting good values for the whole organization and demonstrating the values of good governance through behaviour.

The tender assessment was carried out by a Tender Panel comprising staff from the Treasury and Resources Department, Engineers from Guernsey WasteWater and Engineers from the Design Consultant. In this way expertise from across States Departments was used to achieve good value for the States as an organisation.

Core Principle 4 – Good governance means taking informed, transparent decisions and managing risk.

The States of Guernsey has delegated to the Public Services Department the responsibility for the execution and delivery of the project. In turn the Public Services Department has set up the Project Board and Project Team to manage the project – the Project Board is largely a continuance of the Phase V Project Board, which provides good continuity between the Phases. All decisions are recorded in meeting minutes which are available for inspection, thus achieving

transparency. The project risks have been logged and are being managed to ensure that adequate resources are available to cover problems which may arise.

Core Principle 5 – Good Governance means developing the capacity and capability of the governing body to be effective.

The Project Board and Project Team have worked closely and involved the Strategic Capital Investment Portfolio team throughout the development of the project. All parties have developed greater understanding of the requirements that each needs to work within and to their mutual benefit.

Lessons and improvements from the Part 1 recommendations and conclusions of the Post Implementation Review (PIR) for the BG Phase V project have been recognised in the development of this project.

Core Principle 6 – Good Governance means engaging stakeholders and making accountability real.

Stakeholders including the Environment Department, the Environmental Regulator, the Harbour Master and HM Receiver General (for Crown Estates) have been consulted during the development phases of this project to ensure that all interested parties have had opportunity to comment and make representation. Accountability has been ensured by the Project Board's being given a written mandate by the Public Services Department to be responsible for the successful delivery of the project.

The feedback from the various departments consulted is, in summary:

Environment	The Planning Division was consulted and was supportive of the proposal. Its jurisdiction extends to mean low water mark and therefore does not cover the entire scope of work. The main concern was during the construction period when disruption to residents and the environment is likely to be greatest. An Environmental Impact Assessment for the construction work may be required, and an EIA Opinion Request is to be submitted to confirm whether this is the case.
Environmental Regulation	The Environmental Regulator was consulted and was supportive of the proposal. Currently there is no requirement for a licence or discharge consent to be issued for this outfall, but both parties are cognisant that this situation may change in the medium term. The works will be designed with this in mind and the resulting design is expected to meet any consent requirement that may be stipulated in the future.

Waste licence(s) during construction was a further concern and GW/PSD will apply for the necessary licence once the construction methodology is agreed from the contractor

Harbour Master (PSD)

The Harbour Master was consulted and was supportive of the proposal.

The area for the prospective route of the pipelines is not within the main shipping lines/activity. The location of the LSO will be marked on all shipping charts etc, but the depth at this location is seen as being beyond the normal depth of anchorage and the location is north of the normal area that cruise ships anchor, hence it is not seen as a significant hazard.

Any request for temporary use of harbour facilities has been discussed and more liaison will be needed during the preliminary and detailed design negotiations to assess the impact the temporary construction areas may have on Harbour operations, although this is not seen as a significant risk.

HM Receiver General

As the governing authority for the Crown Estates HMRC has been consulted on the proposals. Confirmation has been received that providing the necessary permissions are obtained from all interested parties then he will sanction approval on behalf of the Crown Estates to the construction of the LSO/SSO. (The necessary permissions are seen as those required above, together with approval from the States of Deliberation.)

Appendix B - Photographs

Short Sea Outfall – Collapse and Settlement of Downstream Section, also showing absence of lateral support from original timber supports



Short Sea Outfall – Air Vent Opening along length of outfall pipe – damage caused during February 2014 storm event



Appendix C – Capital Cost Breakdown

The current “Latest Best Estimate” (LBE) for this project is £18,573,000. This has been estimated from the following breakdown:

Item	Cost
Base Capital Cost	14,600,000
Consultants and insurance	440,000
Surveys and investigation	300,000
Service diversions	100,000
Document Management etc	45,000
Contingency	3,088,000
TOTAL	18,573,000

Appendix D – Glossary

BGW _w C	Belle Greve Wastewater Centre
BOD	Biological Oxygen Demand
COD	Chemical Oxygen Demand
D&B	Design and Build
EIA	Environmental Impact Assessment
GW1R	Gateway 1 Review
ITT	Invitation To Tender
LSO	Long Sea Outfall
PIR	Post Implementation Review
PQQ	Pre Qualifying Questionnaire
PS	Pumping Station
SCIP	Strategic Capital Programme Portfolio
SSO	Short Sea Outfall

Appendix E – Recommendations from Intertek METOC

The study report into the discharge of sewage effluent into the Little Russel was undertaken by external consultants Intertek METOC and included within the report “*States of Guernsey – Belle Greve Outfall, Discharge of Preliminary Treated Wastewater to the Little Russel*” ref P1467_RN2780_Rev0, issued 07 September 2011.

The Recommendations are:

“The study has demonstrated:

- *The initial dilution of the discharge is insufficient to satisfy UK standards. This can be resolved by installing a diffuser section for the outfall*
- *The environmental design for the diffuser section would suggest a requirement for seven ports (diameter 0.2m) with a minimum spacing of 11m. The hydraulic design of the diffuser and outfall would need to be confirmed by design engineers*
- *The concentrations of solids BOD, ammonia and COD after initial dilution fall within UK standards (some after the imposition of a diffuser section)*
- *The nitrogen and phosphorus concentrations predicted by the simulation are below the limits which would indicate (or increase the risk of) the potential for eutrophication (eg algal blooms)*
- *The Benthic assessment has indicated a very small deposition around the outfall and therefore the present discharge has no significant impact on the benthos*
- *Bathing waters and shellfish Harvesting Areas are not predicted to be significantly impacted by the Belle Greve outfall – i.e. compliance is maintained.*

Whereas the UWWTD suggests a minimum of primary treatment for wastewater discharges for a population the size of Guernsey, all of the studies conducted would suggest that there is no adverse affect from the Belle Greve discharge.

The results of the study would therefore suggest that the current level of treatment, whilst not conforming with the UWWTD:

- *Protects the surrounding waters from the risk of eutrophication*
- *Protects the surrounding waters from deleterious local impacts of wastewater discharges*
- *Protects Bathing and Shellfish Waters*
- *Does not pose a risk to the local benthic community due to deposition of suspended solids*

Appendix F – Strategic Outline Case (SOC)

TEMPLATE 2: STRATEGIC OUTLINE CASE (SOC)

Project Title: Belle Greve Wastewater Centre - Outfalls

Strategic Outline Case (SOC)

Version No: 0.1

Issue Date [December 2013]

VERSION HISTORY

Version	Date Issued	Brief Summary of Change	Owner's Name
Draft 0.1	00.00.00	First Draft Version	Mark Walker
2	07.03.14	Amended following GW1 Review	Mark Walker

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BELLE GREVE WASTEWATER CENTRE - OUTFALLS REPLACEMENT

1. Executive summary

1.1 Introduction

This SOC seeks approval to invest an estimated £18.1 million (including contingency allowance) in 2014-2016 in order to construct two replacement marine outfalls to serve the Belle Greve Wastewater Centre (BGWwC).

The outfalls will discharge preliminary treated sewage effluent from the Island to:

- a) Long Sea Outfall (LSO) - the Little Russel area off the eastern coast of Guernsey. The discharge will be the dry weather flow (DWF) plus a multiple of approximately six times DWF up to 1,000l/s, approximately 2.3 kilometres from the shore, and
- b) Short Sea Outfall (SSO) - to a point yet to be confirmed within Belle Greve Bay. The discharge will be up to 1,500l/s of storm flows in excess of those that can be passed through the LSO and stored in the storm tanks at BGWwC

It is anticipated that the outfalls to be installed will be:

- i. LSO - 2.3km of 700mm diameter pipe, together with appropriate diffuser configuration to enable acceptable dilution and dispersion of flows (preliminary design indicated 7 diffuser ports at 11 metre centres at the end of the outfall pipe)
- ii. SSO - up to 1km of 900mm diameter pipe. At this stage it is not known whether a diffuser arrangement will be required nor the area into which the discharge will be made to obtain optimum dispersion performance.

Background

Guernsey Water is a trading entity within the Public Services Department (PSD) of the States of Guernsey.

Prior to the review of the Machinery of Government in 2004 the water supply business was managed by the States Water Board (SWB), a politically accountable organisation which was independently financed with considerable autonomy from the rest of the States of Guernsey systems and procedures.

In 2012 the Wastewater business was formally transferred from the PSD Central Services into Guernsey Water. The Wastewater services until that time were funded by the States of Guernsey for both capital and revenue. (A nominal Wastewater charge of £100 per household pa average was introduced in 2011). At that time there were a small number of capital projects that continued to be funded from the States Capital Reserve and with the exception of Belle Greve all were completed before the end of 2012. The improvement works at Belle Greve described in this report show the five phases, the last of which to be constructed is referred to as "Phase IV" in all reports and so as to avoid confusion this will

continue. The Belle Greve project and its various stages have already been discussed and accepted by the States of Deliberation. The reason why this last phase is now included in the States Prioritisation consideration is that significant expenditure had not been committed before the latest procedural change has come into being and to some extent this should be regarded as a 'legacy project'.

Background to the Belle Greve project

The BGWwC was first constructed as a pumping station around 1970 with a LSO to discharge the flows at a point that at that time was considered acceptable, approximately 1.7km off shore. The LSO was, and continues to be, a critical component for providing an effective disposal system of sewage effluent, in that wastewater can be discharged where the impact of tide, wave, currents and sunlight can provide an economical and reliable method for wastewater disposal with minimal environmental effects.

Properly located, the LSO can prevent wastewater effluent with initially high concentrations of bacteria (e.g. eColi) from being washed onto shore or impacting on bathing and shellfish waters before the natural actions and dilutions can degrade any harmful concentrations of pollutants and contaminants.

The location off the east coast of Guernsey provides an excellent opportunity to exploit the natural phenomena and tidal conditions that occur in this area. The deep water channel, together with a fast flowing tidal stream due to the configuration of Guernsey and Herm within the Golfe de St Malo, generate ideal conditions for the rapid dilutions and dispersions of any flows discharged at an optimum location.

However, whilst these conditions may be ideal for dispersion characteristics, they also create a huge civil and marine engineering challenge that has to be overcome to install assets within these conditions and for their long-term maintenance and resilience.

1.2 Strategic case

1.2.1 The strategic context

This Strategic Outline Case (SOC) is for the provision of an appropriate outfall facility to dispose of the sewage (or liquid waste) from the Island of Guernsey that is currently received at the BGWwC. The facility is expected to provide a satisfactory means of disposing of sewage that has received preliminary treatment (screening, grit removal and storm storage (when appropriate)) for discharge within the coastal area off the eastern side of Guernsey (in the area known as the Little Russel).

The facility will:

- be environmentally sustainable
- be ecologically appropriate, without undue adverse impact on the ocean, benthic environment, surrounding bathing and shellfish waters and Island shoreline

- provide a lowest whole life cost for sewage disposal
- be cost-beneficial to the whole population of the Island, and
- provide minimal need for operational intervention once constructed

1.2.2 *The case for change*

The existing situation is as follows: The existing LSO is over 40 years old and has been surveyed on two occasions in the last 15 years by independent consultants/contractors who concluded that the remaining life of the asset is set between 0 and 10 years (the latest survey report was commissioned in 2011). The current discharge point is approximately 350-400 metres away from the “optimum zone” of dispersion/dilution to obtain maximum performance from a marine outfall; hence it should be extended to even deeper and faster flowing tidal streams in the Little Russel.

The SSO is over 100 years old and is in poor state of repair. It is laid on the beach/foreshore and in part on timber supports, and has several openings along its length where sewage can discharge prematurely and cause potential pollution and contamination above mean low water mark.

The related business needs are as follows:

This investment is in line with the Strategic Objectives of the States of Guernsey (SoG) as set out in the States Strategic Plan (SSP) (Billet d’Etat, VI 2013, 26th March 2013).

Within the revised SSP, under the Waste proposal within the Environmental Plan the following statement is included:

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

On the basis of this analysis, the potential scope for the scheme is to replace both the LSO and the SSO

1.3 Economic case

1.3.1 *The long list*

Within this potential scope, the following options were considered using the options framework:

- do nothing
- replace only LSO to existing discharge point
- replace LSO and extend to the “optimum zone”
- replace and extend LSO and refurbish SSO
- replace and extend LSO and replace SSO
- replace and extend LSO and replace and extend SSO to the “optimum zone”

1.3.2 The preferred way forward

On the basis of the above analysis, the preferred and recommended way forward is to replace and extend the LSO and look at further options for the SSO replacement

The main benefits to stakeholders, customers/ users are as follows:

- a) a sustainable long term method of disposal for the Islands liquid waste for at least 70 years
- b) a cost-effective and ecologically sound method of sewage disposal with minimal risk of pollution contamination of beaches, bathing and shellfish waters
- c) removal of unacceptable risk of catastrophic failure of the existing outfall that would result in major disruption around Belle Greve/Les Banques and pollution to the foreshore for many months (up to 1 year or possibly longer) whilst remedial works are implemented

1.3.3 The short list

On the basis that the preferred way forward is agreed, we recommend the following options for further, more detailed evaluation within the Outline Business Case (OBC):

- **option 1** - the reference project - replace and extend the existing 625/685mm diameter LSO and replace or refurbish the existing 900mm diameter SSO to a point as yet to be determined
- **option 2** - the more ambitious - replace and extend the existing 625/685mm diameter LSO and replace and extend the existing 900mm diameter SSO to the same point as the LSO
- **option 3** - the less ambitious - replace the existing 625/685mm diameter LSO, maintain the SSO in its current state

Consequently, the preferred option will be identified and recommended for approval within the OBC.

1.3.4 Indicative economic costs

The indicative costs for the scheme are as follows:

	Undiscounted (£)	Net Present Cost (Value) (£)
Option 1		

Capital	18,573	17,920
Revenue ⁽²⁾	70	51
Total costs	18,643	17,971
<i>Less cash releasing benefits</i>	0	0
Costs net cash savings	0	0
Non-cash releasing benefits	0	0
Total	18,643	17,971
	Undiscounted (£)	Net Present Cost (Value) (£)
Option 2		
Capital	21,795	21,034
Revenue	70	48
Total costs	21,865	21,082
<i>Less cash releasing benefits</i>	0	0
Costs net cash savings	0	0
Non-cash releasing benefits	0	0
Total	21,865	21,082
	Undiscounted (£)	Net Present Cost (Value) (£)
Option 3		
Capital	15,055	15,522
Revenue	70	47
Total costs	15,125	14,569
<i>Less cash releasing benefits</i>	0	0
Costs net cash savings	0	0
Non-cash releasing benefits	0	0
Total	15,125	14,569

(1) - indicative only of costs to undertake temporary works when the pipe catastrophically fails to provide additional pumping, clean-up costs, compensation etc. Following catastrophic collapse replacement of the outfall will then be required and costs will be as Option 2, 3 or 4 depending on solution selected.

(2) Indicative only of £1k pa to undertake a survey of the outfall, additional flushing of the pipe to reduce build-up of blockages etc. Costs may not be incurred each year but figure may be taken as an average per annum amount at this stage of the SOC

1.4 Commercial case

1.4.1 Procurement strategy

Subject to further analysis at OBC stage, we would envisage procuring this scheme as a “design and build” contract with suitably experienced and expert contractors with a track record of installing similar outfalls especially within tidal conditions that reflect those around the east coast of Guernsey.

Initial investigations have indicated that there is only a small number of contractors that would be able to undertake this work and have the experience to show they have undertaken what is expected to be similar installations anywhere else in Europe. Further work will be undertaken on this, but at this stage, it seems unlikely there will be more than 6-8 contractors in UK, Ireland and Europe (mainly the Netherlands) that will be able to demonstrate capability of undertaking this work.

At this stage the form of contract has not been determined, although it is anticipated that it will be one of the following:

- GC Works (with modifications if required for “design and build” fixed price)
- NEC3 (likely to be “Option C”, Target contract with activity schedule), or
- Competitive Dialogue

1.4.2 Required services

The required products and services in relation to the preferred way forward are briefly as follows:

- Detailed design of the outfalls with consideration of:
 - Hydraulic loading and performance
 - Selection of pipe material
 - Consideration of construction technique: a) off shore, and b) on shore to connect with BGWwC and across Les Banques highway
 - Further site investigation required to provide acceptable risk of construction, especially relating to tidal conditions in the Little Russel
 - Diffuser design and hydraulics (including initial dilution performance)
- Procurement of all materials required for construction of new outfalls
- Construction, commissioning and handover of the new outfalls, connections to existing facilities and installation of designed diffuser structures

1.4.3 Potential for risk transfer and potential payment mechanisms

The main risks associated with the scheme are as follows:

- a) Tidal conditions: The high tidal range experienced around Guernsey of approximately 10 metres, together with the fast-flowing streams of greater than 5knots, will provide significant construction challenge. However an experienced contractor with the appropriate plant and equipment should be able to manage under such conditions to install the assets required under this project. Therefore it is expected that all “tidal risk” can be transferred to the contractor at the time of contract award,

- b) Geology and geophysics: The geology around Guernsey is known to be of hard “gabbro” granite, which will provide significant challenges for construction where removal of this rock is required, e.g. where tunnelling and drilling options are being considered, or excavation of a sea-bed trench is needed. However, these conditions can be accurately identified with appropriate site investigation and therefore it is anticipated that all geological risk can be transferred to the contractor at the time of contract award,
- c) Weather conditions: Installation of marine outfalls can only be undertaken in reasonable weather and sea conditions. Therefore it is expected that this work will only be undertaken between April and September in any given year when conditions are more likely to be favourable. At this stage it has not been determined how much of the “weather risk” can realistically be transferred to the contractor without incurring undue additional costs to cover excessive delays due to standing time because of inclement weather.

1.5 Financial case

1.5.1 Summary of financial appraisal

The indicative financial implications of the proposed investment are as follows:

£ xxx	Year 0 (2014)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
	£	£	£	£	£	£	£	£
Preferred way forward:								
Capital	300	17,222	1,051	0	0	0	0	18,102
Revenue	0	0	0	1	1	1	1	4
Total	300	17,222	1,051	1	1	1	1	18,577
Funded by:								
Existing								
Additional								
Total								

1.5.2 Overall affordability and balance sheet treatment

The overall affordability of the scheme is as follows:

The organisation’s commissioners/ stakeholders have expressed their support as follows:
.....

The funding requirement (if any) is as follows:

The balance sheet treatment of the scheme is expected to be as follows:

1.6 Management case

1.6.1 Project management arrangements

Please refer to the Project Quality Plan “Belle Greve Wastewater Centre – Outfall” v0.3, included in Appendix A for the Project Management Arrangements currently instigated for this work

1.6.2 Gateway reviews arrangements

A Gate 0 (strategic fit) was not formally undertaken for this project. However, as part of the 2014-17 Capital Prioritisation programme it was considered and the consequent actions was included within the Billet D’Etat XIX 2013 (September 2013) as a Category A (“must do”) project to proceed “.....to the next stage, funded from General revenue by way of the Capital Reserve”.

A Gate 1 (business justification) is being undertaken on the project on 19th February, in conjunction with the submission of this SOC.

1.7 Recommendation

We recommend the continuing development of the solution to replace and extend the LSO to a discharge point within the “optimum zone” identified by the study undertaken by Intertek Metoc, and to replace the SSO to a point as yet to be determined following further study work to optimise this discharge point.

Signed:

Date:

Senior Responsible Owner

Project team

2. The Strategic Case

2.0 Introduction

This Strategic Outline Case (SOC) is for the provision of an appropriate outfall facility to dispose of the sewage (or liquid waste) from the Island of Guernsey that is currently received at the Belle Greve Wastewater Centre (BGWwC). The facility is expected to provide a satisfactory means of disposing of sewage that has received preliminary treatment (screening, grit removal and storm storage (when appropriate)) for discharge within the coastal area off the eastern side of Guernsey (in the area known as the Little Russel).

The facility will:

- be environmentally sustainable
- be ecologically appropriate, without undue adverse impact on the ocean, benthic environment, surrounding bathing and shellfish waters and Island shoreline
- provide a lowest whole life cost for sewage disposal
- be cost-beneficial to the whole population of the Island, and
- provide minimal need for operational intervention once constructed

The Bailiwick of Guernsey does not fall under the jurisdiction of most of the European Union Directives and regulations and therefore many of the requirements stipulated within the key Directives do not have to be complied with. In this instance the key documents would be:

- Urban Wastewater Treatment Directive (UWWTD)
- Bathing Water Directive (BWD)
- Shellfish Water Directive (SWD)
- Water Framework Directive (WFD)

However, the outcomes to which the standards in these Directives are intended to achieve have generally been followed, namely no deleterious impact on the environment, fauna and flora above that that would be produced by implementing the said Directives.

For a population of the size of Guernsey, it is likely that the above Directives would require the provision of at least “primary” treatment facilities for discharge into what would be classed as “less sensitive” waters (i.e. the Little Russel). This has been deemed to be inappropriate for the Island and the provision of preliminary treatment together with an extension of the outfall discharge point to a location of optimum dispersion and dilution will produce the same level of impact, be far more sustainable and make best use of the natural environment / phenomena for disposal of sewage effluent.

Background

The BGWwC was first constructed as a pumping station around 1970 with a LSO to discharge the flows at a point that at that time was considered acceptable, approximately 1.7km off shore. The LSO was, and continues to be, a critical component for providing an effective disposal system of sewage effluent, in that wastewater can be discharged where the impact of tide, wave, currents and sunlight can provide an economical and reliable method for wastewater disposal with minimal environmental effects.

Properly located, the LSO can prevent wastewater effluent with initially high concentrations of bacteria (e.g. eColi) from being washed onto shore or impacting on bathing and shellfish waters before the natural actions and dilutions can degrade any harmful concentrations of pollutants and contaminants.

The location off the east coast of Guernsey provides an excellent opportunity to exploit the natural phenomena and tidal conditions that occur in this area. The deep water channel, together with a fast flowing tidal stream due to the configuration of Guernsey and Herm within the Golfe de St Malo, generate ideal conditions for the rapid dilutions and dispersions of any flows discharged at an optimum location.

However, whilst these conditions may be ideal for dispersion characteristics, they also create a huge civil and marine engineering challenge that has to be overcome to install assets within these conditions and for their long-term maintenance and resilience.

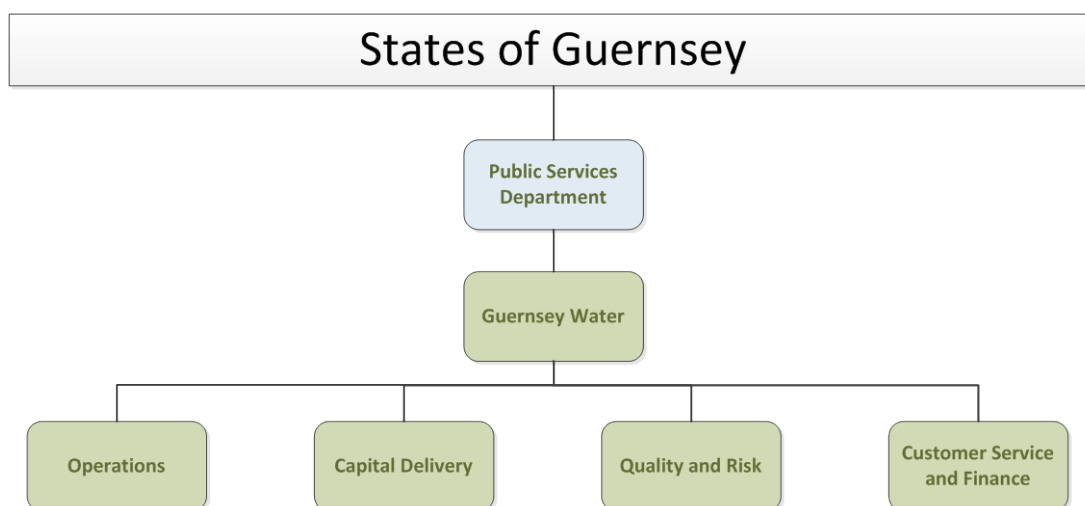
Part A: The strategic context

2.1 Organisational overview

The case for investment is made by Guernsey Water (GW), a separate trading entity within the Public Services Department (PSD) of the States of Guernsey.

GW operates, maintains and provides improvements for all water and wastewater functions across the Island. This includes the operation and maintenance of the BGWwC that receives and disposes of more than 99% of all foul sewage flows generated on the Island and also receives most of the storm flows that discharge into the combined sewage system that serves most of the Island. The total length of foul and combined public sewer currently stands at around 150 kilometres which serves approximately 75% of the properties (residential and commercial) through direct connection, and the remaining through the 11 cess-pit tanker emptying points located at different points on the sewer network.

GW is structured and operates in four main groups, as shown in below:



As a separate trading entity, GW generally funds all the capital works needed to operate, maintain and improve the services that it provides. However, in 2012 the Wastewater function was combined into GW, and as a consequence it was agreed that the major capital schemes that were still outstanding at that time would continue to be funded from General Revenue from the Capital Reserve. The Belle Greve suite of projects were the only major capital works that were outstanding and at that time Phase IV was the only project that had not yet commenced.

Hence, the funding for this project is expected to come from General Revenue and not from GW direct funding.

2.2 Business strategies

This investment is in line with the Strategic Objectives of the States of Guernsey (SoG) as set out in the States Strategic Plan (SSP) (Billet d'Etat, VI 2013, 26th March 2013).

Within the revised SSP, under the Waste proposal within the Environmental Plan the following statement is included:

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

The investment also aligns with the strategic programme of work for BGWwC agreed in 2006, in which a suite of five Phases of work to maintain and upgrade the existing facility was approved, namely:

- Phase I - Interim Works - (auxiliary pumping station and bypass pipeline)
- Phase II - Outfall Survey of Red Lion and Belle Greve outfalls - survey of outfalls
- Phase III - Refurbishment of Main Pumping Station - replacement of pumps and associated control equipment within the Long Sea Outfall pumping station
- Phase IV - Refurbishment of Outfalls *
- Phase V - Replacement of Preliminary Treatment - provision of new inlet works including inlet pumps, storm pumps, 3no 6mm escalator screens, grit removal and 4000m³ storm storage, together with ancillary equipment

Phase IV is the last of the Belle Greve projects to be commenced and implemented.

Phases I, II, III and V have already been completed; Ph V being the most recent which was handed over to GW from Trant Construction Ltd on 2nd August 2013 and is currently within the "maintenance period" which is expected to end on 2nd August 2014.

Phase V was advanced in front of Phase IV following a review of priorities since the initial programme suite was established. The main reasons being:

- the preference to remove all solid and non-biodegradable matter before allowing it to be passed into a new outfall and potentially causing deposition and blockage within the pipe,
- provide storm storage to reduce the continued discharge of storm sewage onto the foreshore and near shore area via the short sea outfall, and
- provide additional urgent protection to potential flooding that was identified as an issue within the upstream catchment (around Victoria Avenue area)

It was previously intended that continuation of Phase IV would occur immediately upon completion of the Phase V work, however due to capital prioritisation processes and the need to re-apply for funding in the 2014-17 review delayed progress on the outfall development.

* i.e. this project, though now intended to be the replacement of the outfall rather than refurbishment.

2.3. Other organisational strategies

None at present

Part B: The case for change

2.4 Investment objectives

The investment objectives for this project are as follows:

- investment objective 1: Provide a long term sustainable means of disposing of sewage effluent
- investment objective 2: Reduce the risk of failure of the existing disposal facility either from leakage or from catastrophic collapse of the existing outfall
- investment objective 3: to provide sewage disposal capability that will provide equivalent performance as those required under the relevant European Directives, *inter alia*, the Urban Wastewater Treatment Directive (UWWTD), Bathing Water and Shellfish Water Directives

2.5 Existing arrangements

The existing arrangements are as follows:

Flows up to approximately 1000l/s are pumped via the Long Sea Outfall (LSO) pumping station through an existing LSO. This consists of: a) approximately 1200 metres of 675mm internal diameter spun-iron pipe laid within a largely rough-hewn tunnel up to 41 metres below ground level (at the landward end) and a further 550 metres of [625]mm internal diameter polyethylene pipe laid on the sea bed.

The pipe was originally constructed in 1969-71, when the LSO was also upgraded. The tunnel section has been allowed to flood with incoming sea water, from a date unknown but relatively soon after the pipe was constructed and has remained so ever since. The 2011 condition survey report concluded that attempts to drain down and obtain access to the tunnel should not be undertaken for fear of instilling undue stresses within the rock and thereby instigating potential rock falls and collapse of the tunnel. This would obviously cause potential catastrophic damage to the existing outfall pipe and render it unusable for many months (possibly greater than 12 months) while remedial works are implemented (i.e. a new outfall)

2.6 Business needs

If not discharged and dispersed into the correct geographical location the natural treatment of sewage flows through wave action and ultra-violet exposure would be less than optimum and flow with higher than permitted bacteriological concentrations according to EU Directives etc, would have a greater than preferred risk of impacting on beaches, the Harbours of St Peter Port and St Sampson's, Bathing and Shellfish Waters around the Island.

The impact on tourism is likely to be significant with adverse publicity from local and UK media, together with other pressure groups such as Surfers Against Sewage etc. This publicity would significantly affect the very positive reputation the Island currently holds as a holiday and recreation resort.

The existing LSO is known to be in exceptionally poor condition. Approximately 60% of its entire length has been surveyed using remote vehicle techniques (Black & Veatch report Sept 2011); the remaining lengths were unable to be surveyed due either to debris in the tunnelled section preventing access, limitation on the equipment available or access in the "sea bed" section. Hence there is much that is unknown about the condition of the pipe and therefore it carries significant risk of leakage and collapse and could catastrophically fail at any time.

From the lengths that were surveyed and other observations taken at the time of the survey, the report concluded that the remaining asset life to failure due to leakage or catastrophic collapse was estimated between 0 and 10 years. If the work within this project is undertaken in the proposed period (2015) almost half of the upper end of the remaining life would have expired, thereby increasing the risk of likelihood of failure significantly - any delays even further would result in intolerable failure risk.

The SSO is much older than the LSO (built circa 1900). Its condition is also even worse than the LSO with significant deterioration of the cast-iron pipe and weakening of the original timber supports especially at the downstream end of the outfall. Surveys as far back as 1965, show collapse and settlement of part of the support structure near the outfall end, which have still not been repaired and impede the flows along the pipe and the effectiveness of its operation. Additionally there are numerous "air vents" along the crown of the pipe the discharge sewage along the foreshore higher up the beach than would normally be expected. It is not clear why these vents and hatch boxes were installed, but are a source of sewage spills that should be eliminated.

2.7 Potential business scope and key service requirements

This section has not been used

2.8 Main benefits criteria

This section has not been used

2.9 Main risks

The main business and service risks associated with the potential scope for this project are shown below, together with their counter measures.

Table 4: risks and counter measures

Main Risk	Counter Measures

"do nothing", with consequential environmental pollution over a prolonged period of sewage being discharged onto foreshore and beach	Undertake project to replace the existing pipe outfall that is known to have suffered from leaks and fractures
Environmental Regulatory control - it is expected that over the short to medium term (ie with 1-5 years) the imposition of "discharge consent-type" regulation will be implemented on all sewage discharges to the environment	Liaise with Environmental Health Department to ensure that any developments as part of this work are aligned to current thinking and thereby avoid abortive or unnecessary work over the longer term period
Statutory requirement to meet European Directives would require significantly different considerations for sewage disposal	Seen as a very low risk at this time and therefore not considered as a "counter measure". If the SoG entered into having to comply with EU statutory obligations, there is likely to be a introductory period to allow any requirements to be met.
Termination risks	None known at this stage

2.10 Constraints

The project is subject to the following constraints:

1. Availability of funding from within the SoG Capital Reserve to undertake the work required
2. Compliance with all T&R, SCIP, Gateway processes to ensure that the optimum solution is developed and implemented
3. Management resources – the Director of Water Services who acted as SRO retired at the end of February 2014; the PSD Chief Officer has been appointed as a replacement.

2.11 Dependencies

The project is subject to the following dependencies that will be carefully monitored and managed throughout the lifespan of the scheme.

1. Provision of adequate finance and budget in order to undertake the preliminary design and preparation of contract documentation.
2. Gateway Review process and satisfactory consideration of SOC,OBC and FBC

3. The Economic Case

3.1 Introduction

In accordance with the Capital Investment Manual and requirements of HM Treasury's Green Book (A Guide to Investment Appraisal in the Public Sector), this section of the SOC documents the wide range of options that have been considered in response to the potential scope identified within the strategic case.

3.2 Critical success factors

The key CSF's for the project have been assessed as:

1. The ability to pass the required DWF and base storm flow at a combined rate of 1000l/s (at mid-tide range) from the pumping station along the LSO,
2. The ability to pass the required peak storm flow of 1500l/s along the SSO
3. Zero impact on shipping and boat users upon completion of the works
4. No recorded incidents of eColi concentrations (ec) at designated Bathing Waters greater than 100ec/100ml, attributable to the long sea outfall discharges
5. No recorded incidents at designated Bathing Waters of intestinal enterococci (ie) greater than 2ie/100ml, attributable to the long sea outfall discharges
6. No deposition of material within or around the diffuser pipe requiring removal more than once every 5 years

3.3 The long-listed options

This project is part of a long standing larger scope, suite of projects (see 2.2 above) that has evolved into the current "short-listed options described below. However options that have previously been considered include:

- "Do nothing" - not considered as a viable option due to enormous consequence of not being able to discharge significantly beyond MLWST (mean low water spring tide) for many months should the LSO suffer catastrophic failure. In particular to the water environment, resident disruption, tourist impact, reputational impact etc
- Tankering of sewage off-Island - dismissed as uneconomic and logistically virtually impossible
- Sewage treatment - debated and dismissed in Billet d'Etat III January 2012

Hence for this project the following options were considered:

- "one pipe" v "two pipe" option - namely to install a single pipe to serve the dry weather flow and storm flows compared with the current arrangement of the LSO and SSO.
 - Due to the wide variation in flow that has to be considered and accommodated from the BGWwC (~160l/s to 2,500l/s) the operational difficulties within the hydraulic design were considered to be too onerous and that self-cleansing velocities could not be adequately maintained with a "one pipe" option.

- “Refurbishment” v “Replacement” of LSO
 - Due to the issue of not being able to access the existing LSO within the tunnelled section together with the potential need to extend the discharge point further off-shore, the option to refurbish the existing pipe is considered to be as costly as a “replacement” option. Therefore the option to “refurbishment” has been dismissed.
- “Refurbishment” v “Replacement” of SSO
 - At this stage both these options are worthy of further consideration and may be dependent on the likely solution and construction technique adopted for the LSO
- “Extend” or “maintain” LSO discharge point
 - At this stage both these options are worthy of further consideration and the cost benefit of extending the LSO further into the Little Russel, as suggested by the hydraulic modelling for optimum disposal performance.
- “Extend” or “maintain” SSO discharge point
 - At this stage both these options are worthy of further consideration. Further modelling has been requested from Interek METOC to investigate an improved or optimum location

3.4 Scoping options

3.4.1 Introduction

This range of options considers coverage of several different configurations for the installation of the LSO and SSO capabilities and functionality to deal with all flow conditions / scenarios that may occur at the BGWwC.

In accordance with the Treasury Green Book and Capital Investment Manual, the do nothing / ~~status quo / do minimum~~ (delete as applicable) has been considered as a benchmark for potential VFM.

An infinite number of options and permutations are possible; however, within the broad scope outlined in the strategic case, the following main options have been considered:

- option 1.1 - the ‘minimum’ scope - marginal improvements in the condition performance of the LSO (no extension of the discharge location to the “optimum zone”, no change to the diffuser characteristics, no change in the SSO performance and effectiveness)
- option 1.2 - the ‘intermediate’ scope - for improvements in the LSO and SSO performance. The LSO will be replaced, extended to the “optimum zone” location and the SSO will be brought up to equivalent condition standards and ensure that all storm flows are discharged below MLWST level and the outfall discharge point will be submerged at all times

- option 1.3 - 'maximum' scope - for improvements in LSO and SSO such that ALL flows (dry weather and all storm flows pumped from BGWwC) are discharged within the "optimum zone".

Option 1.1: do minimum - marginal improvements in

Description

This option would replace the LSO with a new asset providing almost risk free operation for its entire design life, estimated at 60-70 years

Advantages

The main advantages are that:

- a) maintains status quo on existing performance
- b) slightly cheaper capital cost than intermediate scope option

Disadvantages

The main disadvantages are that:

- a) no less disruptive than intermediate scope option
- b) VfM costs disproportionately higher than intermediate option
- c) Does not achieve optimum dispersion and dilution characteristics
- d) Higher risk of bacterial contamination of Bathing and Shellfish Waters than intermediate option
- e) Does not provide equivalent treatment outcome to sewage treatment as would be required under the Urban Wastewater Treatment Directive (UWWTD)

Conclusion

This option would provide a serviceable alternative to the "do nothing" approach. However, from a cost beneficial/VfM aspect the cost are disproportionately higher than the intermediate option.

The maximum benefit potential would be missed for a relatively marginal saving in costs over the intermediate option.

Therefore this option is not recommended as the preferred solution.

Option 1.2: intermediate scope for improvements in

Description

This option would replace the LSO with a new asset providing almost risk free operation for its entire design life, estimated at 60-70 years. Further, it would provide optimum dilution and dispersion conditions for the preliminary treated flows from BGWwC and minimise the risk of bacteriological contaminants being washed back to shore under all expected tidal conditions.

Additionally, it would provide a fit-for-purpose short sea outfall that discharged below mean low water spring tides at all times, i.e. into water for all conditions and not be visible to boat or beach users.

Advantages

The main advantages are that:

- a) Provides best VfM option
- b) Is only marginally more expensive than the minimum option
- c) Provides a higher level of risk protection against pollution contaminants being washed onto shore
- d) Optimises the tidal stream conditions in the Little Russel for dilution, dispersion and treatment of sewage flows
- e) Provides an ecologically and environmentally sustainable long-term solution to bacterial treatment of sewage flows
- f) Minimises the risk of solids/sludge deposition around the outfall discharge locality and thereby adversely affecting the benthic community
- g) Provides equivalent treatment outcomes to sewage treatment as that required under Urban Wastewater Treatment Directive (UWWTD)

Disadvantages

The main disadvantages are that:

- a) Slightly more expensive than the intermediate option
- b) Higher risk during construction (working in deeper water, 20-25m below chart datum)

Conclusion

This option provides optimum dilution and dispersion conditions for the dry weather and initial storm, flows from BGWwC. The costs are only marginally higher than the minimum scope solution.

Hence this option is considered to be the preferred solution and is recommended for approval and implementation.

Option 1.3: maximum scope for improvements in

Description

This option would replace the LSO with a new asset providing almost risk free operation for its entire design life, estimated at 60-70 years. Further it would provide optimum dilution and dispersion conditions for the preliminary treated flows from BGWwC and minimise the risk of bacteriological contaminants being washed back to shore under all expected tidal conditions.

Additionally, it would also provide capability of discharging all flows (dry weather and storm) from BGWwC to be discharged to the "optimum zone" within the Little Russel area off the east coast of Guernsey.

Advantages

The main advantages are the same as the "intermediate" option PLUS that:

- a) Maximum dispersion and dilution characteristics would be utilised for disposal of all sewage flows from BGWwC
- b) Minimum risk of sewage contaminants being washed on-shore
- c) Minimum risk of any aesthetic nuisance from sewage "litter" not passed through the 6mm screens at BGWwC (i.e. any flow in excess of 1000l/s when the storm tank 4000m³ is full) being observed on the foreshore
- d) Additional resilience facility in the event of failure of one of the outfall pipes, i.e. flow could be diverted down the other one

Disadvantages

The main disadvantages are that:

- a) Additional capital cost to either: i) construct twin outfall pipes between BGWwC and the "optimum zone", or ii) construct a single large diameter pipe to accommodate 2500l/s capacity (with associated risk of "self cleansing" velocities being maintained)

Conclusion

This option provides maximum treatment and disposal potential, but at additional extra capital cost. The cost-benefit has not been fully justified, hence this option is not recommended as the preferred solution.

3.4.2 Overall conclusion: scoping options

The table below summarises the assessment of each option against the investment objectives and CSFs.

Table 5: summary assessment of scoping options

Reference to:	Option 1.1	Option 1.2	Option 1.3
Description of option:	Minimum	Intermediate	Maximum
Investment objectives			
1	✓	✓	✓
2	✓	✓	✓
3	x	✓	✓
Critical success factors			
Business need	?	✓	✓
Strategic fit	x	✓	✓
Benefits optimisation	x	✓	x
Potential achievability		✓	✓
Supply-side capacity and capability		✓	✓
Potential affordability		✓	x
Summary	Possible, taken forward	Preferred	Possible, taken forward

3.5 Service solution options

Not used

3.6 Service delivery options

3.6.2 Introduction

This range of options considers the options for service delivery in relation to the preferred scope and potential solution.

The ranges of options that have been examined are:

- option 3.1: in-house
- option 3.2: outsource
- option 3.3: strategic partnership.

Option 3.1: in-house***Description***

Guernsey Water would continue to own, operate and maintain the outfalls as part of the overall BGWWC facility and sewage disposal capability.

Advantages

The main advantages are that:

- overall control of the wastewater disposal facility

Disadvantages

The main disadvantages are that:

none

Conclusion

This option is recommended as the approach to be continued for this project.

Option 3.2: outsource***Description***

This option describes the position of Guernsey Water outsourcing operation and maintenance of the outfall.

Advantages

The main advantages are that:

- none

Disadvantages

The main disadvantages are that:

- no perceived income stream from the use of the outfall

- unlikely to obtain any interest from private corporation to operate and maintain the facility for sewage disposal

Conclusion

It is proposed that the ownership, and responsibility for operating and maintaining the sewage disposal outfalls serving BGWwC are retained by States of Guernsey through Guernsey Water.

Option 3.3: strategic partnership

This option was not considered at this stage as it provides no additional benefit (or dis-benefit) over the "outsource" option

3.6.2 Overall conclusion: service delivery options

Not used

3.7 Implementation options

3.7.1 Introduction

This range of options considers the choices for implementation in relation to the preferred scope, solution and method of service delivery.

The only phasing that would be possible on this project would be to split the scope of work between the long sea outfall and the short sea outfall, and undertake installation of each over a two year period (i.e. one in each summer period).

- option 4.1: 'Big Bang'
- option 4.2: phased.

Option 4.1: 'Big Bang'

Description

This option assumes that all the required services could be delivered within the initial phase(s) of the project.

Advantages

The main advantages are that:

1. All work could be co-ordinated within a single time period.
2. A very high proportion of the costs of undertaking work such as this are mobilisation and demobilisation of the specialist teams, plant and equipment. Therefore using the “big bang” approach would minimise this impact
3. Availability of specialist contractors over two (or more) consecutive summer seasons would be difficult to procure, without expectedly high costs
4. Single season disruption to shipping (ferries and cruise liners), fishing vessels that use the area, residents, tourists

Disadvantages

The main disadvantages are that:

1. A larger cost within one year would be incurred, than phasing over two (or more) years. (However, overall, the “big bang” would still be cheaper!)

Conclusion

This option is by far the most preferred approach to implementing the project

Option 4.2: phased

Description

This option assumes that the implementation of the required services would be phased on an incremental basis, with the long sea outfall being undertaken during one summer window period and the short sea outfall being done over another.

Advantages

The main advantages are that:

1. Costs could be phased over more than one year (BUT would result in a much higher overall cost)

Disadvantages

The main disadvantages are that:

1. Greater overall cost for the full scope of the work

2. Limitation on the options that could be considered to install both outfalls in a shared trench
3. Incurrence of multiple mobilisation and demobilisation costs which for this type of work is very substantial
4. Disruption over two summer periods

Conclusion

This option is very undesirable and would result in a significantly higher overall cost and disruption over two summer periods

3.7.2 Overall conclusion: implementation options

The table below summarises the assessment of each option against the investment objectives and critical success factors.

Table 8: summary assessment of implementation options

Reference to:	Option 4.1	Option 4.2
Description of options:	'Big Bang'	phased
Investment objectives		
1	✓	✓
2	✓	✓
3	✓	✓
Critical success factors		
Business need	✓	x
Strategic fit	✓	x
Benefits optimisation	✓	?
Potential achievability	✓	✓
Supply-side capacity and capability	✓	✓
Potential affordability	✓	x
Summary	Preferred	Discounted

Option 4.1: 'Big Bang'

This option is preferred because it provides the most cost effective solution to the investment needs of the project

Option 4.2: Phased

This option has been discounted because of the logistical issues it would generate, the additional costs that would be incurred and the limitations it would place on options that could be considered

3.8 Funding options

Note: where it has been agreed that the scheme will be publicly funded as part of the capital expenditure programme, it will be unnecessary to consider the use of alternative methods of finance. However, where the funding mechanism has **not** been agreed this set of options may still have a use for appraisal purposes - for example, as in the case of central versus local funding.

It should also be noted that the use of private finance does not simply consist of Public Private Partnerships (PPP) and the Private Finance Initiative (PFI). In this context, the use of financial leases and operating leases, and other forms of rental payment might also be considered, together with sponsorship arrangements.

3.8.1 Introduction

This range of options considers the choices for funding and financing in relation to the preferred scope, solution, method of service delivery and implementation.

The options are as follows:

- option 5.1: private funding
- option 5.2: public funding.

This project is to be publicly funded. It has been included within the States Capital Prioritisation programme with "Category A" status (Billet D'Etat XIX, 25th September 2013), i.e. " *"must do" projects recommended to progress to the next stage, funded from General Revenue by way of the Capital Reserve*".

Therefore further consideration will not be given between the options between "Public" and "Private" funding options.

Options for the eventual contractor to fund all construction costs until completion of the works to be considered, as is the alternative of States of Guernsey funding all costs "up

front" of work commencing. These options will be explored further during the procurement development phase (depending on the solution finally proposed)

Option 5.1: private funding

Not used

Option 5.2: public funding

See 3.8.1 Introduction above

3.8.2 Overall conclusion: funding

The project will be funded from public funds. HOWEVER, investigations will explore whether there is merit in seeking contractor input for a Design, Build, Finance and Transfer approach. GW and PSD will work with T&R (including the Procurement Department) to determine optimum use of contract that could be utilised to fund this project for the benefit of all stakeholders alike.

3.9 The long list: inclusions and exclusions

Not used.

3.10 Short-listed options

Table 10: summary of inclusions, exclusions and possible options

Options	Finding
1.0 Scope	
1.1 'Do Nothing'	Discounted - because it does not provide and reduction in the risk of catastrophic failure of this critical asset which forms the ONLY method of adequately disposing of the sewage effluent created on the Island.
1.2 Minimum	Possible - because it provides an adequate reduction in the risk of catastrophic failure of this critical asset, but does NOT provide an optimum improvement in the disposal of sewage effluent created on the Island by discharging within the identified "optimum zone" which would improve dilution and dispersion due to increased depth of water above the outfall and improved tidal conditions for diffusion
1.3 Intermediate	Preferred - because it provides an adequate

	reduction in the risk of catastrophic failure of this critical asset, AND provides an optimum improvement in the disposal of sewage effluent created on the Island by discharging within the identified "optimum zone" which would improve dilution and dispersion due to increased depth of water above the outfall and improved tidal conditions for diffusion. It also provides improved discharge performance for the storm flows in excess of those that can be discharged down the LSO and will ensure that storm sewage effluent is disposed of at a point that will provide acceptable dispersion to avoid contaminants being washed back onshore.
1.4 Maximum	Possible -however the additional costs of extending the SSO to the same point as the LSO provide negligible extra benefits to the sewage disposal outcome and reduction in the risk of sewage effluent being detected onshore or within bathing / shellfish waters
2.0 Service solutions	
2.1	n/a
2.2	n/a
3.0 Service delivery	
3.1 In-house	The operation and maintenance of the outfall will remain within Guernsey Water remit
3.2 Outsource	There is no discernible advantage of outsourcing the operation, maintenance etc of the outfall asset
3.3 Strategic partnership	Not considered during SOC development
4.0 Implementation	
4.2 Big bang	Due to high mobilisation costs for this type of work, it is not appropriate to phase this project over more than one year
4.3 Phased	Not appropriate - phasing of work would result in significant additional costs due to the high cost of mobilising the specialist plant and equipment that is anticipated will be required for the installation of this outfall.
5.0 Funding	
5.1 Private Funding	Not appropriate
5.2 Public Funding	Project will be publically funded

4. The Commercial Case

4.1 Introduction

This is for the installation of a new long sea outfall and a short sea (storm) outfall to serve the BGWwC under all flow conditions under a “design and build” contract.

4.2 Required services

These are as follows:

- In association with the Client, to develop a design and agree a construction technique to install a new long sea outfall. The scope would include the design of a satisfactory diffuser head / port configuration at the end of the outfall
- To consider what further investigation would be required to enable an acceptable risk profile to be determined for the construction of the new outfall. These may include, but are not limited to:
 - Bathymetric survey
 - Sea bed features (depth to rock, location of rock outcrops etc)
 - Tide, stream and wave conditions likely to be encountered during construction activity and also its effectiveness on dilution and diffuser design
 - Magnetometry (especially to identify any World War II ordnance that could be expected to be found around the coast of Guernsey)
- Construct and install a new outfall, including diffuser head and connect to the existing operation pumping station with minimal impact to the surrounding coast, beaches and environment
- Replace the existing short sea outfall

4.3 Potential for risk transfer

There are three major risks associated with this project that have potential to be transferred to the contractor:

1. **Geology and geophysical conditions** – the likely ground to be encountered is seen as a major factor in determining what options are available for construction of both outfalls under this project. It is considered that a competent contractor can ascertain what conditions are likely to be encountered and be capable of accommodating, managing and/or mitigating this risk. It is proposed that during the design phase, the successful contractor will assess the existing level of survey information available and supplement this with further investigations should it be found necessary to reduce the risk to an acceptable level.

It is proposed that a bathymetric and sub-seabed survey is undertaken prior to issuing the main tender and this information will be supplied to all bidders. It is further proposed that NO further geological surveys will be undertaken (e.g. boreholes, trial trenches etc) prior to tender issue, as this information would be very specific to any pipe route chosen, and would be preferable to undertake this once a relatively firm potential route has been selected to confirm its suitability.

2. **Tides and tidal streams** – the risk of working in the Little Russel and adjacent areas is seen to be extremely onerous due to the high tidal ranges and fast flowing streams, i.e. in excess of 5knots. Therefore any experienced contractor should be aware of the limitations that such conditions will place on his method of working and capability of the plant & equipment at his disposal. These conditions are relatively straightforward to predict and forecast, hence it is proposed that this risk be passed to the contractor to manage in the contract documentation.
3. **Weather** – the difficulty of working in adverse weather conditions can be significant and can disrupt progress at a critical time during installation of the outfall. "Downtime" of plant and equipment on a project such as this can be very expensive if at a critical time of the operation. For example, it may be expected that the specialist equipment needed to undertake this construction work could incur costs of up to £100k per day.

Therefore this risk and where it preferably sits needs to be carefully considered. If the full weather risk is offset to the contractor then he will price into his work for a period of lost time due to weather regardless of whether it is incurred or not. Alternatively, if GW accepts this risk and holds a contingency item for inclement weather, the actual time lost and subsequent costs could be very substantial and run to several £100k's.

Further work is required to understand during OBC phase as to where the "weather risk" is best placed to provide the acceptable balance between Client and contractor

The table below outlines the potential allocation of risk ...

Table 11: risk transfer matrix

Risk Category	Potential allocation		
	Public	Private	Shared
1. Design risk		✓	✓
2. Construction and development risk			✓
3. Transition and implementation risk			✓
4. Availability and performance risk			✓
5. Operating risk	✓		
6. Variability of revenue risks	✓		
7. Termination risks	✓		
8. Technology and obsolescence risks			✓
9. Control risks	✓		
10. Residual value risks	✓		
11. Financing risks	✓		

12. Legislative risks	✓		
13. Other project risks	✓		

There is a further risk that may need to be considered and mitigated as this project develops through the next phase(s). Dependent on the type of solution that is developed for resolving the need for a resilient outfall there may be a need to transfer the risk in fluctuations in exchange rate between GBP's and the Euro. It is considered that if the contract is with European contractors or suppliers there may be benefit in securing fixed exchange rate costs. For example, the supply of pipe materials from Europe based on the Euro could either be purchased by SoG at an early stage and then "free issued" to the successful bidder, or the raw materials could be secured at a fixed price and then manufactured once the detailed design is determined.

The main drawback with this option is the determination of the final design will not be known for some time from the preferred bidder and therefore it would be too premature to second guess the construction technique that may be adopted.

4.4 Proposed charging mechanisms

This area is yet to be determined and will be developed and confirmed during the OBC phase

4.5 Proposed contract lengths

The following contract lengths will be considered:

- Design development - [three] months
- Construction/implementation - [six] months

However at this stage these are indicative periods based on the assumption to undertake the work within the April to September period during any one year.

4.6 Proposed key contractual clauses

These are as follows:

4.7 Personnel implications (including TUPE)

It is anticipated that the TUPE - Transfer of Undertakings (Protection of Employment) Regulations 1981 - will not apply to this investment as outlined above. There are no other foreseen personnel implications.

4.8 Procurement strategy and implementation timescales

It is anticipated that the procurement strategy will follow a “design and build” approach with the main contractor being responsible for the design of both outfalls and the method of installing them.

It is anticipated that all materials will be purchased by the main contractor, however in order to secure and key and critical material Guernsey Water would consider purchasing these direct and issuing them to the successful main contractor. However at this stage it is not possible to determine the likelihood or extent of scope involved for this approach.

Subject to agreement of the SOC, it is anticipated that the implementation milestones to be agreed for the scheme with the service provider will be as follows:

- | | | | |
|------------------------------------|------------------------|---|------------|
| • PQQ | | | - |
| | Feb 2014 to April 2014 | | |
| • Outline Business Case | | - | April 2014 |
| • Selection of contractors for ITT | | - | June 2014 |
| • Tender | | | - |
| | July 2014 to Sept 2014 | | |
| • Contract Award | | | - |
| | January 2015 | | |
| • Construction Start on site | | - | April 2015 |
| • Construction End | | | - |
| | October 2015 | | |

As a consequence of using a true “design and build” approach, the development of key options and conclusion of a preferred solution will not be possible until after the contract has been awarded and the main Contractor has undertaken the design.

This means that the production of the Outline Business Case (OBC) as part of the SCIP (Strategic Capital Investment Portfolio) process is unlikely to be able to be followed along its current proposals. Namely, the submission of the OBC with confirmed identification of the preferred option, other than the outline scope of the project deliverable.

Therefore it is proposed and intended that preparation of the ITT documentation will proceed concurrently with the production of the OBC such that approval from the States to issue the ITT can proceed as quickly as possible after the SCIP report has been considered (currently forecast to be June 2014).

4.9 FRS 5 accountancy treatment

It is envisaged that the assets underpinning the delivery of service will be included on the balance sheet of Guernsey Water once all the works have been completed and the asset brought into commission. The costs will be depreciated over the expected design life of the asset, namely seventy years.

5.0 The Financial Case

5.1 Introduction

The purpose of this section is to set out the indicative financial implications of the preferred option (as set out in the economic case section) and the proposed deal (as described in the commercial case section).

Note: detailed analysis of the financial case including affordability takes place at OBC stage.

5.2 Impact on the organisation's income and expenditure account

The following tables provide a cost benefit analysis of the three options included for further consideration.

Table 12a: summary of financial appraisal (Intermediate Option)

INTERMEDIATE OPTION (PREFERRED)																
COSTS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
CAPITAL COST (2014 pb)	300	16,802	1,000													
CAPITAL COST (outturn)	300	17,222	1,051													
POTENTIAL LOST INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE (2014 pb)	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1
MAINTENANCE (outturn)	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1
TOTAL COSTS	300	17,222	1,051	1	1	1	1	1	1	1	1	1	1	1	1	1
DISCOUNTED TOTAL COSTS	300	16,640	981	1	1	1	1	1	1	1	1	1	1	1	1	1
BENEFITS																
TOTAL BENEFITS																
DISCOUNTED TOTAL BENEFITS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BENEFITS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inflation Rate	2.50%															
Discount Factors																
Discount Rate	3.5%															
Base Year	2014															
Year Index	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	1.000	0.966	0.934	0.902	0.871	0.842	0.814	0.786	0.759	0.734	0.709	0.685	0.662	0.639	0.618	0.597
Total Discounted Benefits	0															
Total Discounted Costs	17,971															
Net Discounted Benefits	17,971															

Non-quantifiable benefits:

- Provides resilience against catastrophic loss of outfall facility
- Provides equivalent level of sewage disposal as required under UWWTD requirements
- Improves performance of storm flows that can be discharged to sea from BGWwC
- Optimises the natural resources of the coastal stream off the east coast of Guernsey for sustainable sewage disposal

Table 12b: summary of financial appraisal (Minimum Scope)

MINIMUM SCOPE																
COSTS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
CAPITAL COST (2014 pb)	300	13,370	1,000													
CAPITAL COST (outturn)	300	13,704	1,051													
POTENTIAL LOST INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE (outturn)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COST	300	13,704	1,051	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCOUNTED TOTAL COST	300	13,241	981	0	0	0	0	0	0	0	0	0	0	0	0	0
BENEFITS																
TOTAL BENEFITS																
DISCOUNTED TOTAL BENEFITS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BENEFITS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inflation Rate	2.50%															
Discount Factors																
Discount Rate	3.5%															
Base Year	2014															
Year Index	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	1.000	0.966	0.934	0.902	0.871	0.842	0.814	0.786	0.759	0.734	0.709	0.685	0.662	0.639	0.618	0.597
Total Discounted Benefits	0															
Total Discounted Costs	14,522															
Net Discounted Benefits	14,522															

Non-quantifiable benefits:

- Provides resilience against catastrophic loss of outfall facility for the main LSO discharge
- Provides equivalent level of sewage disposal as required under UWWTD requirements for flows up to approximately 1000l/s
- Optimises the natural resources of the coastal stream off the east coast of Guernsey for sustainable sewage disposal

Table 12c: summary of financial appraisal (Maximum Scope)

MAXIMUM SCOPE																
COSTS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
CAPITAL COST (2014 pb)	300	19,946	1,000													
CAPITAL COST (outturn)	300	20,445	1,051													
POTENTIAL LOST INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE (2014 pb)	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1
MAINTENANCE (outturn)	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1
TOTAL COST	300	20,445	1,051	1	1	1	1	1	1	1	1	1	1	1	1	1
DISCOUNTED TOTAL COST	300	19,753	981	1	1	1	1	1	1	1	1	1	1	1	1	1
BENEFITS																
TOTAL BENEFITS																
DISCOUNTED TOTAL BENEFITS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BENEFITS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inflation Rate	2.50%															
Discount Factors																
Discount Rate	3.5%															
Base Year	2014															
Year Index	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	1.000	0.966	0.934	0.902	0.871	0.842	0.814	0.786	0.759	0.734	0.709	0.685	0.662	0.639	0.618	0.597
Total Discounted Benefits	0															
Total Discounted Costs	21,082															
Net Discounted Benefits	21,082															

Non-quantifiable benefits:

- Provides resilience against catastrophic loss of outfall facility
- Provides equivalent level of sewage disposal as required under UWWTD requirements
- Improves performance of storm flows that can be discharged to sea from BGWwC
- Provides additional security of storm flows not contaminating foreshore and beaches due to contaminants being washed back onto shore
- Maximises the natural resources of the coastal stream off the east coast of Guernsey for sustainable sewage disposal

5.3 Impact on the balance sheet

The proposed capital expenditure will have the following impact...

5.4 Overall affordability

The proposed cost of the project is £18,778k over the 70 years of the expected lifetime of the contract (assuming an inflation rate of 2.5% pa)

The capital costs of the project have been categorised as follows:

- Base Capital Costs
£14,600k
- Consultants/insurance etc
£440k

- Investigations £300k
- Service diversions £100k
- Project Management documentation £25k
- States Works attendance £20k
- Contingency (~20%) £3,088k
- TOTAL £18,573

The States of Guernsey have provided outline approval for this work to proceed and the funding to be made available. This was confirmed in the Billet D'Etat XIX 2013 (September 2013) as a Category A ("must do") project to proceed ".....to the next stage, funded from General revenue by way of the Capital Reserve".

5.5 Production of Outline Business Case

Due to the proposed "design and build" approach for this project, it is not expected that further substantial development of the design of this project will take place prior to issuing the ITT (invitation to tender). However certain activities will be necessary for this to take place and these are summarised as follows:

- Preliminary survey of the sea bed in the vicinity of the proposed outfall pipe route and discharge location (both bathymetric and seismic surveys are expected). Cost estimated at £50k,
- Dispersion modelling of the SSO outfall to identify the options for optimum location. Cost estimated at £5k,
- Preliminary site investigation. Cost estimated at £15k,
- Production of ITT documentation. Cost estimated at £10k (however this is not seen as a dependency of the OBC)
- Engagement with expert advisor(s). Cost estimated at £20k

6. The Management Case

6.1 Introduction

This section of the SOC addresses the 'achievability' of the scheme. Its purpose is to set out the actions that will be required to ensure the successful delivery of the scheme in accordance with best practice.

6.2 Programme management arrangements

Please refer to the Project Quality Plan for more details on this aspect, included as Appendix A

6.3 Project management arrangements

The project will be managed in accordance with PRINCE 2 methodology.

6.3.1 Outline project reporting structure

Please refer to the Project Quality Plan for more details on this aspect, included as Appendix A

6.3.2 Outline project roles and responsibilities

Please refer to the Project Quality Plan for more details on this aspect, included as Appendix A

6.3.3 Outline project plan

Table 12: milestones

Milestone activity	Date
Gateway 1 - SOC	Feb '14
PQQ Issue	Mar'14

Milestone activity	Date
PQQ Close	end Mar '14
Evaluation of Select List	Apr '14
States Report to go to tender	Jun '14
Issue ITT	Jul '14
Return ITT	Sep '14
Tender Evaluation	Oct '14
Award Contract	Dec '14
Commence Contract	Jan '15
Start on Site	Apr '15
Completion	Oct '15

6.4 Use of special advisers

Special advisers have been used in a timely and cost-effective manner in accordance with the Treasury Guidance: Use of Special Advisers.

Details are set out in the table below:

Table 13: special advisers

Specialist Area	Adviser
Financial	Claire Savage (PSD Financial Accountant)
Technical	Ipitath Ltd (Martin Berry), plus potential others as yet to be confirmed Maritime Supervisor - as yet undetermined and scope to be considered Design Advisor - resource to review and scrutinise design to be submitted by main Contractor prior to commencement of ordering / construction
Procurement and legal	Director of Corporate Procurement and States Law Offices
Business assurance	SPS (Dave Parish)
Other	

6.5 Gateway review arrangements

The impacts/risks associated with the project have been scored against the risk potential assessment (RPA) for projects. The RPA scores are attached at Appendix....

~~A Gate 0 (strategic fit) has been undertaken on the programme, in conjunction with agreement to the SOP. The consequent actions have been as follows...~~

A Gate 1 (business justification) has been undertaken on the project, in conjunction with the submission of this SOC. The consequent actions have been addressed in line with the Review Team recommendations as stated in the file: *"20140303_GW1 Review Report_ Belle Greve Wastewater Outfall_v1.0.docx"*

Signed:

Date:

Senior Responsible Owner

Project Team

Appendix A

Project Quality Plan

Project Quality Plan

Belle Greve Wastewater Centre - Outfalls

Contract No: FWS 1015

CONTRACT No: FWS-1015		DOCUMENT REF: FWS1015/13/DG/001			
Revision	Purpose Description	Originated	Reviewed	Authorised	Date
Draft 0.1	Project Strategic Outline Case (SOC)	M Walker	J Holt	A Redhead	29/11/2013
Draft 0.3	Project Strategic Outline Case (SOC)	M Walker	J Holt	A Redhead	07/02/2014

The content of this quality plan will be communicated to all project parties. The content of the plan will be reviewed throughout the life of the project and it will be updated when necessary by distribution of a complete replacement.

Contents

<i>Section</i>	<i>Page</i>
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2. PROJECT BACKGROUND	3
3. DESCRIPTION OF WORKS	4
4. MANAGEMENT RESPONSIBILITIES	4
5. CONTROL OF DOCUMENTS AND DATA	4
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Appendices

Appendix A	Project Organisation Chart
Appendix B	Project Folder Structures and Key Documents

Management System

This project plan identifies the quality management methods applied to this Project by Guernsey Water.

Project Background

Belle Greve Wastewater Centre (BGWWC) is the “end of the line” wastewater disposal facility which deals with all domestic, commercial, industrial and stormwater flows that are collected in the Guernsey sewerage system. This network also receives pumped flow and cess-pit tanker discharges at numerous points throughout the system. Once flow passes through the preliminary treatment plant, it then gravitates to the Main Works Outfall Pumping station which then discharges effluent, via a long outfall pipe into the sea to the east. The short outfall pipe below the Red Lion Public House is utilised during excessive storm or emergency conditions.

The Belle Greve suite of projects formed a programme that commenced in October 2006 to address both rehabilitation and upgrade issues at the Belle Greve pumping and maceration station to dispose of all of the Island’s liquid (or sewage) waste. The programme consisted of 5 projects, namely:

1. Phase I – Interim Works (auxiliary pumping station and bypass pipeline)
2. Phase II – Outfall Survey of Red Lion and Belle Greve Outfalls
3. Phase III – Refurbishment of Main Pumping Station
4. Phase IV – Refurbishment of Outfalls
5. Phase V – Replacement of Preliminary Treatment

Phases I-III and V have been completed, the most recent being Ph V which was handed over to Guernsey Water on 2nd August 2013.

In the 2009 Capital Prioritisation review, Phases IV and V were included at a combined cost of £15.5 million; Phase V was for £4 million to refurbish the existing Long Sea Outfall (LSO) but also to initially undertake a condition survey to assist with scoping of work required.

The condition survey was undertaken in September 2011⁸ and concluded that the outfall could not be accessed for most of its length as it was constructed in a now submerged tunnel and that the water should not be removed as it would put at risk the stability of the tunnel.

A further study on the dispersion characteristics of the existing outfall arrangement, the sea off the east coast of Guernsey and the optimum location to site a new outfall point was also undertaken in 2011⁹. This concluded that the optimum zone for discharge and dispersal was approximately 350-400 metres further eastward into the main Little Russel channel.

This project is to consider the optimum case for providing an outfall discharge facility that will serve the Island for the next 60-70 years for the disposal of sewage to the sea.

⁸ Belle Greve Outfall, Condition Assessment Study, Sept 2011 (Version 1.2) by Black and Veatch Limited

⁹ Belle Greve Outfall, Discharge of Preliminary Treated Wastewater to the Little Russel, Intertek METOC, 7th September 2011

Description of Works

Guernsey Water will be considering the installation of a new LSO that can accommodate the flows from the BGWWC including all dry weather flows and storm flows up to a combined flow of at least 1000l/s during low and mid-tide conditions (this may reduce during high tide conditions). Together with the refurbishment or replacement of the Red Lion, or Short Sea, Outfall to accommodate all flows above the 1000l/s handled by the LSO up to a maximum of 2500l/s from both outfalls.

Management Responsibilities

The Project Manager is responsible for project quality including: planning, control and monitoring.

At this stage of the project it is NOT envisaged that a Design Manager will be appointed, however this will continue to be reviewed and assessed as the project develops.

A project organisation chart showing participants and their responsibility is included as Appendix A.

Control of Documents and Data

Incoming and outgoing project specific documentation and data is controlled and reviewed in accordance with Business Management System procedure Project Administration.

Documents will be tracked on the [Project Register](#). All relevant incoming documents, all outgoing issued documents, all incoming drawings and all outgoing drawings will be listed on the relevant tab.

All documents are to be issued with the job number {FWS1015} in the title, display their sub-folder number (i.e. '14' for Progress Reports) and be numbered sequentially following the document register in folder '51'.

Documents will be created, checked and reviewed as follows:

Role	
Originator	Design Team / Procurement team / Operations etc
Checker	Mark Walker
Reviewer	Jon Holt
Approver	Adrian Lewis / SRO

Control of Records

The Project Manager is responsible for establishing and maintaining a project filing and referencing system.

As listed above, documents will be tracked using the project's register.

All documents are to be issued with the job number FWS1015 in the title, display their sub-folder number (i.e. '14' for Progress Reports) and be numbered sequentially following the document register in folder '51'.

All documents and drawings are to be stored electronically within the project folder: [Belle Greve Phase IV](#)

And placed in the relevant subfolders, e.g.:

- **10 - Project Management**
- **20 – Correspondence**
- **40 – Meetings**
- **50 – QA / Registers etc**
- **60 - Works Process General**

Emails will be stored in a shared folder / directory, which will be accessed via the Public Folder drive however security will be limited to appropriate persons that require access to the folder / directory.

Access will be managed through Guernsey Water's IT manager, Tom Ozanne.

Resources

The Project Manager and the Senior Responsible Officer (SRO), will ensure that individuals employed on the project are provided with the required information and possess the necessary training and / or experience required for the tasks to be undertaken.

Requirements

The Contractor will supply a construction phase programme, which will be updated regularly. The programme can be found in the project folder [12 Project Programme](#)

The Contract Documents are located in the project folder. [11 Contract Documents](#)

The drawing register is listed in the [Project Register](#). There is a tab called 'Generated Drawing' within the register where the basic information is documented. Drawings have been placed in [Folder 63](#).

A Project Management Actions log is available in the [Project Register](#).. There is a tab called 'Actions Log' within the register where the basic information is documented.

The Project Manager will communicate project requirements and the controls to all project parties and resolve any issues arising between them.

The Project Manager will regularly review the project to ensure targets and arrangements for management continue to be suitable and effective in meeting the requirements of the contract.

Liaison

The Project Manager will liaise with the SRO and Project Team.

The project will also report to the Project Board that has been established. Details of the members and information pertinent to the PB can be found in [15 - Project Board](#)

Meeting notes will be placed in [Folder 40](#) of the Project Folder

'Customer' Contacts made to the project team will be registered in the [Project Register](#). There is a tab called 'Customer Contacts' within the register where the basic information regarding the issue and resolution are documented.

Design and Development

The project will be procured and let on a "Design and Build" basis with the main Contractor responsible for all design aspects, following provision by Guernsey Water of all relevant and pertinent design parameters that are applicable and meet Guernsey Water's requirements.

Monitoring and Measurement

The Project Manager in conjunction with the Project Team, review the project on at least a monthly basis to ensure targets and arrangements for management continue to be suitable and effective in meeting the requirements of the contract.

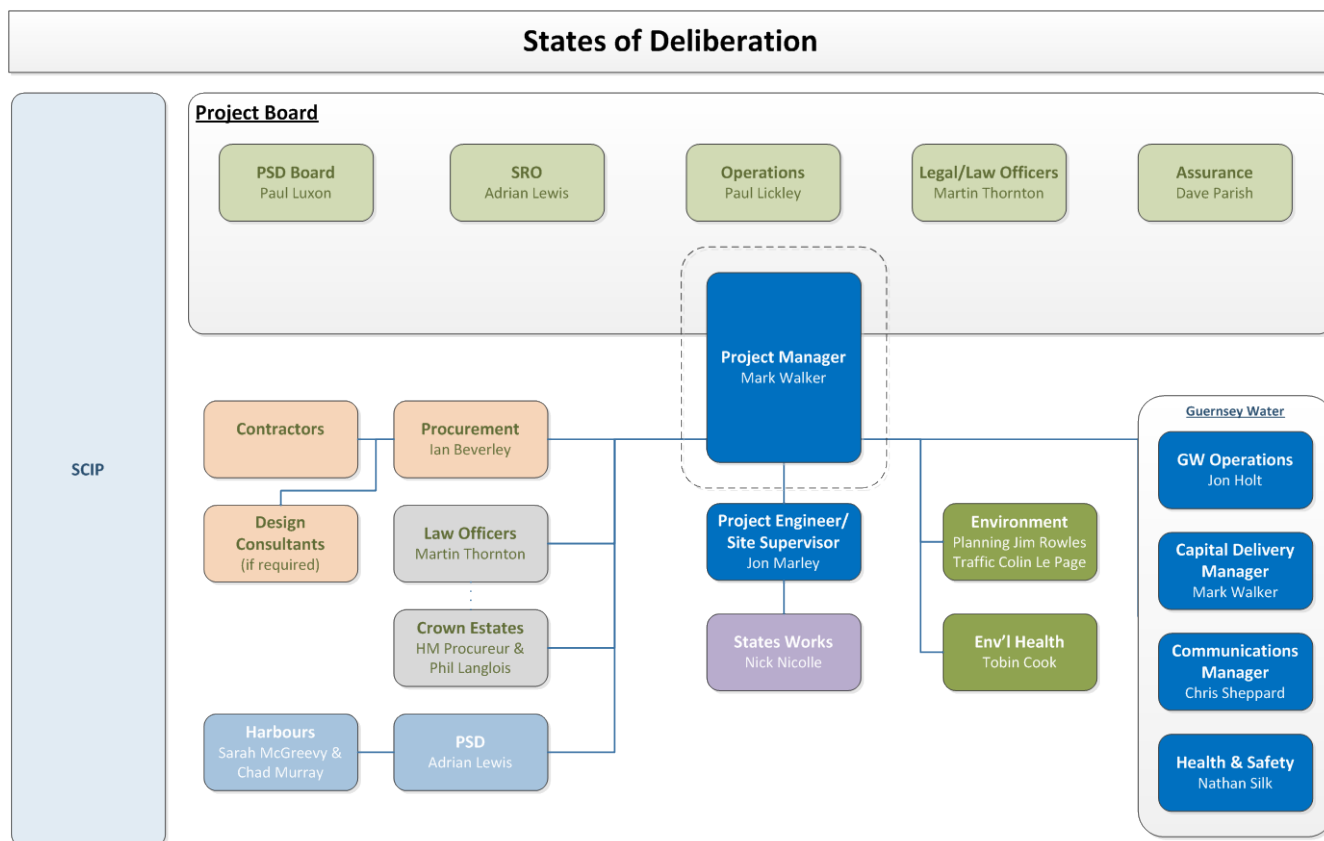
Meetings with and reports to the Project Board will be arranged as and when needed during the Project Initialisation phase. This will be required at relevant stages in the project development and amended accordingly if required.

Audits

Programmed audits are generally performed to determine if work being undertaken is in accordance with this quality plan. The Project Manager and the Project Team will review the project regularly to determine if an audit is required.

Audits during construction shall be agreed with the Contractor at the start-up meeting, and shall include the Contractor and Client's H&S audits as well as any required environmental audits to be carried out during the works.

Appendix A - Project Organisation Chart



A full list of contact names and details is available in the [Project Register](#). There is a tab called 'Contact List' within the register where the basic information is documented.

Appendix B - Project Folder Structures and Key Documents

X:\Drainage\Belle Greve PS\Belle Greve Phase IV		
10 - Project Management	20 - Correspondence	40 - Meetings
11 – Contract	21 - Correspondence with Contractor	41 – Meetings with Contractor
12 – Project Programme	22 - Correspondence with Others	42 – Meetings with Others
13 – Project Quality Plan	23 - Telephone Records	43 – Internal Meetings
14 - Progress Reports		
15		
16 - Health & Safety		
17 – Team Structure and Responsibilities		
18 –		
19 - Financials		
50 - QA and Registers	60 - Works Process General	
51 - Project Registers	61 – Incoming Documents & Data	
52 - QA, Audits	62 – Outgoing Documents & Data	
	63 – Outgoing Drawings	
	64	
	65 – Incoming Drawings	
	66 - Sketches	

KEY DOCUMENTS

Key Documents are located in the Project Folder: X:\Drainage\ Belle Greve PS\ Belle Greve Phase IV

Registers

- Project Register in [Folder 50](#), containing the following Tabs:
 - Actions Log

-
- Meeting Log
 - Contacts List
 - Generated Documents
 - Customer Contacts
 - Risk Register in [Folder 50](#)

Contract Documents

- Contract Documents in project folder: [11 Contract Documents](#).
- “For construction” drawings in project folder [63 Drawings](#).

Health & Safety

- Health & Safety Inspection and Incident Reports and method statements and risk assessments are located in [Folder 16](#).

Quality

- Records of test results are located in [Folder 61](#)

Financials

- Project Manager's Financial Data is kept in [Folder 14](#). Including the Bill of Quantities and the Forecast versus Actual Budget Monitoring.
- Other financial information, such as quotes, invoices, purchase order numbers are kept in [Folder 19](#).

Progress & Programme

- Project Manager's Progress Reports are in [Folder 14](#).
- Contractor's Progress Reports are in [Folder 14](#).
- Progress Meeting Notes in [Folder 41](#). A meeting log is held in the Project Register in [Folder 50](#).
- Site photos are in [Folder 66](#).
- Contractor's Programmes are in [Folder 12](#).

Appendix B

Risk Potential Assessment

Risk Potential Assessment

1. Policy, programme or project name <i>(Also note previous name if it has changed since last assurance review)</i>	Belle Greve Wastewater Outfall
2. Change driver <i>(Primary reason for change)</i>	Ministerial initiative* Legal* Operational Business Change* Other * Replacement and enhancement of existing asset <i>(provide short explanation)</i> <i>* delete as appropriate</i>
3. Programme/project type	1. Policy development/delivery, 2. Property/construction enabled business change, 3. ICT enabled business change, 4. Other acquisition or 5. Other/multifaceted* <i>* delete as appropriate</i>
4. Objectives and expected benefits	<p>The ability to discharge sewage (liquid waste) at an optimum point within the Little Russel that will:</p> <ul style="list-style-type: none"> Protect the surrounding waters from eutrophication Protect the surrounding waters from deleterious local impacts of wastewater discharges Protects Bathing and Shellfish Waters Not put at risk the local benthic community due to suspended solids Minimise the sewage “plume” visible at sea level above the outfall position Provide storm discharge capability below mean low water level Provide resilience from leakage or collapse and the need to discharge sewage on the foreshore at high water tide level
5. Department,	Dept Name: Public Services Department – Guernsey Water
6. Contact Details: Chief Officer <i>(for Strategic Assessment Review)</i> Senior Responsible Officer (SRO) <i>(for existing project or programme)</i>	Name: Mr Andrew Redhead Address: Guernsey Water, Brickfield House, St Andrews Telephone No. 01481 234673 Email: Andrew.redhead@water.gg
7. Programme/Project Manager details	Name: Mr Mark Walker Address: Guernsey Water, Brickfield House, St Andrews Telephone No. 01481 234636 Email: mark.walker@water.gg
8. Primary contact point for administration of assurance reviews	Name: Mr Mark Walker Address: Guernsey Water, Brickfield House, St Andrews

Risk Potential Assessment

	Role: Project Manager Telephone No. 01481 234636 Email: mark.walker@water.gg
9. If a programme, please list names of the constituent projects. If a project, please give name of the over-arching programme.	Project: Programme: Belle Greve Wastewater Disposal Facility
10. Costs <i>(Indicative estimate or as defined in latest business case)</i>	Capital: £18.1 million (incl Contingency allowance) Operational (Running costs): £10k (for inspection of outfall and assessment (every 4 years) of “less sensitive area” designation for Little Russel) Whole life: £??? Business Case Status: SOC
11. Expected duration (yrs) of major contract or service (if known & appropriate)	1 Year
12. Next planned review	Strategic assessment review* Project Assessment Review* Gate 0, 1, 2, 3, 4, 5 * * delete as appropriate
13. Requested start date for next review	Week Commencing Date: 17 Feb 2014
14. Overall Assessment <i>Derived from Table C</i>	Low /Medium/High* * delete as appropriate
15. Date of previous assurance review	Type of Review: Date:
16. RPA approved by CO (for Strategic Assessment Review)	Date:

Guidance for Completion of the RPA

Risk Potential Assessment

What is the RPA for?

This version of the Risk Potential Assessment is designed to provide a standard set of high-level criteria for assessing the strategic risk potential of programmes and projects, and of emerging policies and initiatives that are expected to be delivered through a programme or project in the future.

The RPA is used to initiate a Strategic Assessment Review, a Project Assessment Review (PAR) or an SoG Gateway review, by helping to determine who should arrange and manage a review and decide on the make-up of the review team.

Once agreed the completed form should be sent to the Portfolio Management Office.

This assessment is an indicator of risk potential and is not an exhaustive risk analysis model. However, it can be the starting point for a more exhaustive risk assessment. The RPA enables a conversation to be had about the risks and responsibilities for delivery of a programme or project, and its visibility, reporting and assurance in a wider portfolio management context. The RPA can also help to identify areas where specific skills sets, commensurate with the level of programme or project complexity, may be required.

How to complete this RPA

Assurance reviews are applicable to a wide range of change programmes and projects, including policy driven, business, property/construction, ICT enabled or procurement/acquisition-based change initiatives.

The RPA should be completed as early as possible.

The RPA requires the Chief Officer or Senior Responsible Owner (SRO), to consider the initiative from two perspectives: firstly through a strategic assessment of the Consequential Impact, should the programme or project fail to deliver its objectives or outcomes (see Table A); followed secondly, if appropriate, by an assessment of Complexity (see Table B).

Each table is made up of a series of assessments, with the result indicated by marking X in the appropriate box between VERY LOW (VL) and VERY HIGH (VH). These assessments are made using the knowledge and judgement of the CO/SRO and policy/programme/project team, and should be considered in the light of the strategic context for the initiative. Examples have been provided as a guide to what might be considered as VL or VH assessments. For each assessment a short explanatory note of the reasoning for each mark should be given (where appropriate) in the text box to provide an audit trail of the considerations.

Table A – Consequential Impact Assessment

Having considered each **Strategic Impact Area** an overall assessment is required to determine the Consequential Impact Assessment. This is based on the holistic assessment of all five areas in total; there is no formula or calculation involved. The overall assessment should be shown by an **X** in the final (pink) section of Table A.

An explanatory note **must** be given in the text box provided to give the reasoning for the overall assessment.

Only the Overall Consequential Impact Assessment mark should be entered in Box 14 on the cover sheet. If this assessment indicates that the impact is **MEDIUM or above**, the RPA should, after agreement of the CO, be submitted to the PMO.

For existing programmes/projects if, after completing Table A, the Overall Consequential Impact Assessment is considered to be **VERY LOW**, completion of Table B is **optional** and the completed RPA can be sent to the PMO, who will discuss with the programme/project what assurance activity might be most appropriate.

Table B – Complexity Assessment

If the Consequential Impact Assessment (Table A) is assessed as **greater than VERY LOW**, completion of the Complexity Assessment (Table B) is **required**. The approach for Table B largely follows the same format as for Table A, but for convenience is broken down into four **Complexity Areas**.

Risk Potential Assessment

Having assessed each factor in each of the four complexity areas, an assessment is then required to determine a summary assessment for each area. Again an **X** should be marked in the appropriate (yellow) score box for each complexity area and an explanation given in the notes box.

At the end of Table B there is a (yellow) table headed **Complexity Assessment Summary** where the area summary assessment results should be recorded.

Consideration should now be given to reaching an **Overall Complexity Assessment** for the initiative, based on the four area assessments. Again, there is no scoring or formula for determining this; it is the policy/programme/project team's holistic assessment.

The Overall Complexity Assessment is recorded in the final (green) section of the Complexity Assessment Summary with an **X** marked in the appropriate box. **An explanatory note must be provided** to support the overall complexity assessment for audit trail purposes.

Finalising the Risk Potential Assessment

As the environments in which programmes or projects operate will vary, there may be other aspects that might not be covered by the RPA which affect the impact and/or complexity assessments in this form. These additional aspects, if considered material to the overall impact and/or complexity assessments, should be reflected with explanatory notes in the overall assessments in Tables A and B respectively.

Having completed the Consequential Impact Assessment (Table A) and the Complexity Assessment (Table B), the overall **Risk Potential Assessment** for the programme or project is determined by plotting the respective assessments on Table C.

Using the overall results from the Consequential Impact and Complexity Assessments and the respective axis of Table C, mark an **X** in the appropriate cell where the two assessments intersect. This will then indicate what level of review may be required, as suitable for the Low, Medium or High Risk level of the initiative. **The overall level of review (L/M/H) should then be noted in Box 14 on the cover sheet of the RPA.**

The CO or SRO (as relevant) must agree the completed RPA, after which the completed RPA should then be sent to the PMO.

Using the RPA for assurance purposes

Once an RPA is agreed the CO will instigate an assurance review process by contacting the PMO.

PLEASE NOTE: It may not be possible for the PMO to organise a review at shorter notice, based on limited availability of reviewers.

The initial RPA assessment will normally be used throughout the life of the integrated assurance and approval process, even though the risk potential might decline as the programme/project progresses through the change lifecycle. Should the RPA marking increase, the higher assessment may take precedent. Departments should undertake periodic reviews of their projects to ensure a consistent and appropriate use of the RPA in setting risk levels, and hence the appropriate assurance regimes.

For further information see contact details on last page.

Risk Potential Assessment

Table A

Consequential Impact Assessment

A strategic assessment of the consequential impact should the initiative fail to deliver its objectives to time, cost or quality

Strategic Impact Area		Very Low	Low	Med	High	Very High	
A1. Political	None, or unlikely to have any political interest.			X			As a prerequisite for major policy initiative or manifesto commitment, a high level of on-going Ministerial or political interest.
Explanatory Notes (Completion mandatory)	<p>Failure of the existing outfall will result in all sewage having to be discharged onto the near foreshore at Belle Greve resulting in huge pollution of the beach and coastal areas for many months or even >1 year whilst a replacement outfall is effected</p> <p>If the outfall is not extended into the identified “optimal zone” for discharge the effectiveness of the Belle Greve Wastewater Centre will be compromised and the risk of transfer of bacteriological contaminated sewage being washed back onto shore (affecting Bathing and Shellfish Waters) would increase to unacceptable levels.</p> <p>The States has previously approved the strategy (Billet d’Etat III January 2012, item #4) that this project completes for the disposal of sewage from the Island. Namely, that all foul flows plus the appropriate diluted storm flow will receive fine screening (to 6mm in any two-dimensions) and grit removal prior to discharge to an appropriate location approximately 2km off the east coast of Guernsey into the Little Russel</p>						
A2. Public	No public service impact. No information security or environmental implications. No interest from external pressure groups likely.					X	Significant public or business interest, e.g. related to information security, or to environmental issues. High degree of interest from pressure groups or media. Involves contentious change.
Explanatory Notes (Completion mandatory)	<p>(see also A1 above) Huge adverse environmental impact would result from a catastrophic failure of the existing outfall.</p> <p>The effectiveness of the strategy to discharge preliminary treated flows into the Little Russel will be impaired if the outfall is not extended, approximately 350-400 metres further into the main channel.</p>						
A3. Financial	Little or no exposure of public funds or additional					X	Very significant financial exposure of public funds, or

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Risk Potential Assessment

	financial burden. No financial impact from environment or social costs. Limited or no savings to be delivered.						additional financial burden. Significant financial impact from environmental or social change. Will, or is likely to, require States financial approval. Very significant savings expected to be delivered.
Explanatory Notes (Completion mandatory)	Project is unlikely to be able to be funded from General Revenue income						
A4. Operational business and commercial change	Low priority, limited impact on the organisation's administration, operations or staff. No impact on third party organisations. No changes to regulatory requirements.			X			Departmental priority, addressing high profile department issue. Essential to fulfil legislative/legal requirements. Significant impact or additional burden on department or staff, on external commercial markets, regulations or trade. The change is novel or contentious.
Explanatory Notes (Completion mandatory)							
A5. Dependencies	Stand alone - no dependency on, or for, other change initiatives, programmes or projects.	X					Highly dependent on other legislation, programmes, projects or change initiatives for its successful delivery, and/or vice versa.
Explanatory Notes (Completion mandatory)	This is the 5 th and final phase of a programme to upgrade and develop the wastewater facility at Belle Greve. All other phases have been implemented and are currently operational; the latest phase (V) was the Belle Greve Wastewater Screening, Grit Removal and Storm Storage project (value £11.03m) which was commissioned in August 2013. This project is not dependent on any other project, nor are any further projects dependent on this project						

Overall Consequential Impact Assessment

A6. Little or no impact on the public, political stakeholders, public finances, operational business or dependent programmes/projects	VL	L	M	H	VH	Very high impact on the public, political stakeholders, public finances, operational business or dependent programmes/projects
					X	

Explanatory Notes (Completion Mandatory)

[Note: If score is Very Low (VL) completion of Table B is optional. If Table B is not completed, note this score in Box 14 on the cover sheet. Alternatively, this score is to be used in Table C if Table B is completed.]

Risk Potential Assessment

The consequential impact of this project is the unacceptable risk that would be carried if the existing outfall is not replaced. The remaining assessed life of the outfall is approximately 0 to 10 years and should it catastrophically fail the resultant pollution of the surrounding beach and foreshore would be very significant with no “quick fix” available for alternative means of sewage disposal. The risk of failure is included on the SoG “Risk Register” at number [3] in the highest risks that could affect the Island.

Sewage would discharge above high mean water tide level into Belle Greve Bay which has poor dispersion and disposal characteristics. The volume and duration of discharge (many months or possibly greater than 1 year) would impact much of the eastern side of the Island and potentially most of the coastline of the entire Island.

Additionally, although the jurisdiction of the Island is not obliged to comply with European Union legislation, to achieve equivalent UK standards based on to the Urban Waste Water Treatment Directive (UWWTD) for sewage disposal and protection of the sea/coastal environment, the outfall is required to discharge approximately 350-400metres further into the Little Russel channel than at present. This will provide adequate dispersion and dilution of the flows to avoid unacceptable risk of bacteriological contamination being washed back to shore. Further, it will

- Protect the surrounding waters from eutrophication
- Protect the surrounding waters from deleterious local impacts of wastewater discharges
- Protects Bathing and Shellfish Waters
- Not put at risk the local benthic (viz. sea bed) community due to suspended solids
- Minimise the sewage “plume” visible at sea level above the outfall position
- Provide storm discharge capability below mean low water level
- Provide resilience from leakage or collapse and the need to discharge sewage on the foreshore at high water tide level

Risk Potential Assessment

Table B

Programme/Project Complexity Assessment

An assessment of the complexity factors that may affect the achievement of the programme/project objectives

B1 Strategic Profile		Very Low	Low	Med	High	Very High	
B1.1. Political	No political involvement or not requiring any special handling or additional engagement.			X			Multiple political interests requiring handling. Political agenda changing, unclear direction or increasing opposition.
Explanatory Notes	<p>The scope of this project was included in the States debate (January 2012) regarding approval for the strategy not to undertake further sewage treatment processes beyond that which has been provided by the BG Phase V works, namely screening, grit removal and storm storage. Further, the recommendation that was accepted was:</p> <ol style="list-style-type: none"> 1. <i>To proceed with the design of a replacement long sea outfall using the Intertek METOC model to incorporate:</i> <ol style="list-style-type: none"> i. <i>The optimum length and location of the pipe to achieve the greatest environmental benefit:</i> ii. <i>The installation of five * diffusers in order to achieve dilution standards at the sea surface around the point of final effluent discharge.</i> 2. <i>To review the “less sensitive area” status of the Little Russel every four years.</i> <p>The provision of an outfall that discharges effluent in an optimum zone for dispersion and dilution will be required regardless of the level of treatment provided to the sewage prior to disposal.</p> <p>[* the final METOC report recommended 7 diffusers at 11 metre centres, however further detailed design will form part of the project development scope once the exact location for the outfall has been determined.]</p>						
B1.2. Public	No or very low public profile. No change in public interest or service provision. No interest from external pressure groups.			X			Very high public profile, significant interest from public and/or from active pressure groups/media. Complex external communications.
Explanatory Notes	<p>Whilst the management of the Island's sewage is regarded as a sensitive issue, the debate around the further treatment of sewage was held in January 2012 and concluded that further treatment would not be required. This followed detailed environmental, hydraulic and coastal scientific study to assess the impact of discharging preliminary treated waste</p>						

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Risk Potential Assessment

	into the Little Russel area approximately 2km off the eastern shore. The study concluded that provided the discharge point was extended beyond the existing outfall and a properly designed diffuser was installed, the impact would achieve equivalent compliance with UK standards for the EU Urban Wastewater Treatment Directive.						
B1.3. Department performance	No significant change to the organisation's department. No change to the operation of external bodies.		X				Very high department performance profile. Changing demands or expectations of performance or staff or behaviours. Significant increase in delivery status expected.
Explanatory Notes	Providing the resilience of the new outfall could be assured, there would be little impact on the departmental performance profile; no change to operating procedures would be required						
B1.4. Organisational objectives	No links to strategic targets or published performance indicators. Strategic status (portfolio position), mandate and objectives clear, stable and unlikely to change.					X	Critical link to delivery of key strategic objectives and/or published targets. Strategic status, mandate or objectives likely to change.
Explanatory Notes	The ability to maintain and improve compliance standards at Bathing and Shellfish Waters would be put at risk if: a) The existing outfall failed through leakage or collapse of the pipe or the tunnel within which approximately 1200 metres of the outfall is constructed, OR b) The discharge point is not extended a further 350-400 metres into the Little Russel area						
Strategic Profile summary assessment	Strategic profile low, changes unlikely to threaten objectives	VL	L	M X	H	VH	Strategic profile very high and changes highly likely to threaten achievement of objectives
Explanatory Notes (Completion Mandatory) The Strategic Profile risk is considered to be “Medium”, as the agreement to proceed with this strategy has been approved and sanctioned by the States on January 2012 (see Billet d'Etat III, item #4). Additionally the project aligns with the overall strategic programme for Belle Greve Wastewater Disposal Facility that was included and approved in the 2009 Capital Prioritisation review. It is the fifth and final phase of this programme and is needed to conclude the overall objectives that were established for the programme to provide a resilient and sustainable facility for the satisfactory disposal of liquid waste from the Island.							

Risk Potential Assessment

There will be no impact on the organisational requirements for GW, PSD nor SoG from the implementation of this project

[Note: Record summary assessment mark to Complexity Assessment Summary table below]

Risk Potential Assessment

Table B

Programme/Project Complexity Assessment

An assessment of the complexity factors that may affect the achievement of the programme/project objectives

B2 Delivery Challenge		Very Low	Low	Med	High	Very High	
B2.1. Policy/Legal	No legal matters or legislation involved. Policy and legal implications fully understood, aligned and stable. Policy development assurance review (e.g. Strategic Assessment Review or equivalent) undertaken.		X				Affects complex, multiple or cross-border jurisdictions. Legal, legislative or cross organisational policy unclear or changes and challenges highly likely. No policy development reviews undertaken.
Explanatory Notes	Minor legal matters and legislation are involved with the scope of work envisaged with this project. The main areas are identified to be: <ol style="list-style-type: none"> 1. Access onto and construction on Crown Estate land – consultation with HM Procurer has commenced, though at this stage no adverse obstacles have been identified that will impact on the proposals 2. Shipping – requirement to provide safe movement of shipping in the vicinity of the works during construction and then after completion from the permanent works 3. Environment and Environmental Health – impact of construction works on the local environment along the line of the proposed pipeline and then after completion on the fauna and benthic community around the discharge location. 						
B2.2. Security	No security or public data handling implications.	X					Significant national security or public data handling issues or requirements.
Explanatory Notes	No security or public data handling implications						
B2.3. Requirements for business change	Stable business, no significant changes envisaged to requirements. Implications established of wider strategic changes, e.g. green agendas, sustainability. Clearly defined, agreed measurable outcomes.		X				Multiple, interdependent and complex requirements that are dependent on wider emerging or change initiatives e.g. sustainability. Extensive change to business operations or additional information reporting requirements. Significant unplanned changes to business requirements or outcomes likely to be imposed or

Risk Potential Assessment

	Limited change to business operations.						required.
Explanatory Notes	No significant changes are envisaged from implementation of this project. The proposals provide a sustainable, ecological and environmental benefit to the Island						
B2.4. Technology development, production and/or techniques	Involves no new or novel technology development, implementation, production, products, tools or techniques. Extensive previous use of development and/or production techniques.			X			First or extensive use of leading edge, novel or innovative technology. High degree of design, build or implementation complexity or uncertainty. Technology or methodology likely to be subject to major changes.
Explanatory Notes	Whilst the construction technique(s) required to install a new outfall are very complex and highly technical and specialist, they are not expected to be “leading edge” or novel.						
B2.5. Commercial and supplier delivery	Established contracts or existing frameworks to be used. Commercial environment stable. Experienced sector suppliers. Single supplier or short supply chain.			X			Complex or innovative commercial arrangements. Supplier market limited and/or very specialist. Multiple suppliers or complex/volatile supply or logistical chain.
Explanatory Notes	<p>The range of contractors/suppliers for this work is very limited, with only experienced marine outfall installers likely to be selected to be allowed to Tender for the work.</p> <p>The work will be procured on a “design and build” basis that will eliminate any handover of responsibility between the designer and the constructor. The design could be highly dependent on the type of equipment that may be available to the contractor; therefore it is considered appropriate that the work is undertaken on a “D&B” basis to optimise the capability of the small group of contractors that are considered experienced enough to undertake this work successfully</p>						
B2.6. Financial provision	Funding from within organisation budgets, no influence from economic climate. Supplier’s funding all in place.				X		Complex cross-organisational funding arrangements. Funding not agreed or in place. Third party or supplier funding not in place. Economic conditions likely to affect funding options or

Risk Potential Assessment

							availability.
Explanatory Notes	It is not expected that economic conditions will influence greatly the cost of undertaking the work. Of more significance is the workload of the Contractors capable of implementing and having the appropriate equipment and plant available at the time needed to do the work						
B2.7. Governance and programme/project management	Straightforward and stable governance structure. Recognised formal PPM methodologies in use. Key post holders in place.		X				Complex or multi-faceted governance or management structures. Governance, management structures or key post holders likely to change.
Explanatory Notes	Standard PPM methodologies will be utilised to manage the project.						
B2.8. Stakeholders	Single stakeholder community, fully bought-in. No expected change in stakeholder environment or from agreed requirements and outcomes.		X				Complex stakeholder community. Stakeholder environment volatile or with significant external change factors.
Explanatory Notes	This is considered to be “Low” provided the issue of installing additional sewage treatment facilities is not raised again (or to any significant level). Careful stakeholder engagement will be maintained throughout the planning and design phase of the work						
B2.9 Dependencies	Stand alone, no or few dependencies on or for other programmes or projects. All statutory approvals or authorisations in place.		X				Complex dependency relationships with other initiatives or organisations. Significant external statutory authorisations or approvals (e.g. legislation, financial approvals, planning consent etc) remain outstanding or require explicit management. Dependencies changing or conflicting and/or coordination increasingly challenging.

Risk Potential Assessment

Explanatory Notes	<p>It is not envisaged that there will be significant dependencies from, or on, other areas.</p> <p>The main approval required will be from Crown Estates to cross the foreshore and sea bed with a new pipe – liaison has commenced with HM Procuruer however to date no unexpected restrictions have been forthcoming to granting approval for the work to proceed.</p>						
B2.10. Change and implementation	Single or co-located programme/project and supplier teams; single site delivery. No conflicting internal business change issues to affect change. Simple acceptance and cut-over issues. No “big bang” delivery. Change and benefits management fully embedded.		X				Complex national or international delivery environment. Changing or uncertain implementation, cultural or physical challenges to changes likely or expected. Big bang implementation. Complex testing and cut-over issues.
Explanatory Notes	<p>There could be impact from Contractor availability, however once the D&B contract has been awarded, the requirement from the successful contractor to dictate delays to the implementation of the work are reduced.</p> <p>As mentioned above, the availability of appropriate plant and equipment following the detailed design could impact on programme issues.</p>						
Delivery Challenge summary assessment	Challenges to deliver are very low and change is unlikely to threaten objectives	VL	L	M X	H	VH	Very high degree of challenge and changes are highly likely to threaten achievement of objectives
Explanatory Notes (Completion Mandatory) <p>This project is relatively well understood and independent. It is the fifth and last phase in a programme of works to refurbish and upgrade the function of the Belle Greve Wastewater Centre that provides the main source of sewage (or liquid waste) disposal facility for the Island.</p> <p>The arrangement of the overall facility provides a cost-beneficial, ecologically sound and environmentally sustainable solution to treating and disposing of the sewage produced. It harnesses the unique natural conditions that the sea off the east coast of the Island provides, namely a fast flowing tidal stream (in excess of 6knots) flowing parallel with the predominant coast and thereby dispersing discharges away from the Island and minimising the risk of flows being washed back onto shore.</p>							

Risk Potential Assessment

Whilst it is a very complex and specialist undertaking to install such outfalls, the technology to do so is well practised in most areas globally by experienced, capable and competent Contractors

[Note: Record summary assessment mark to Complexity Assessment Summary table below]

Risk Potential Assessment

Table B

Programme/Project Complexity Assessment

An assessment of the complexity factors that may affect the achievement of the programme/project objectives

B3 Capacity and Capability		Very Low	Low	Med	High	Very High	
B3.1. Programme or project team	<p>Fully resourced and skilled team.</p> <p>Stable team, no recruitment issues. Specialist support (e.g. commercial, legal) in place or available when required. Experienced with similar change or technology projects.</p>				X		<p>Personnel resources or funding not available when required. Significant resource changes likely leading to skill gaps or disruption to key posts. No previous experience with similar change or technology.</p>
Explanatory Notes	<p>Previous experience with this type of work and construction is limited due to its specialist nature. However because of the intended “D&B” nature of the procurement approach, detailed specialist knowledge is not considered to be as vital to the project, although consideration is to be given to the appointment of a Design Manager to oversee and review the design developed and put forward by the successful Contractor</p>						
B3.2 Stakeholders and organisation	<p>Fully resourced and skilled, available when required. Open to and comply with change. Common and accepted priority across an engaged stakeholder community.</p>			X			<p>Key resources or skills lacking or unavailable when required.</p> <p>Changing environment. business priority is low, inconsistent or changing. Significantly differing priorities between stakeholder groups.</p>
Explanatory Notes	<p>The impact on stakeholders and organisation for the project is relatively narrow.</p>						
B3.3. Suppliers (internal or external)	<p>Experienced, strong and stable market or suppliers.</p> <p>Supplier resources skilled and available, with ongoing support and commitment.</p>			X			<p>No, weak or overstretched market - unlikely to meet demand.</p> <p>Suppliers unable to sustain support, withdraw, or cannot meet requirements.</p>
Explanatory Notes	<p>The range of suppliers and contractors available to undertake this work are very limited, however those that are available within the market are skilled and stable.</p> <p>Existing and future workloads will be critical to the appointment of the successful Tenderer</p>						

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Risk Potential Assessment

	and could impact on availability – the global market activity for installation of marine outfalls will need to be assessed to confirm an appropriate number of specialist are able to be involved in the tendering of work and ensure a competitive, value for money price is procured.						
B3.4. Strategic leadership and business culture	Good capacity, continuity and experience in leadership roles. No unforeseen organisational pressures. Open culture for change, no staff or trade union concerns.		X				Strategic leadership subject to change. No previous responsibility for or direct experience of change of similar magnitude or complexity. A challenging cultural, staff or workload environment.
Explanatory Notes	<p>It is not envisaged that any strategic leadership changes will occur before implementation of this project. Nor is it envisaged that any changes will impact adversely on it</p> <p>The Director of Water Services will leave Guernsey Water at the end of February 2014.</p>						
Capacity & Capability summary assessment	Capacity and capability in place and change unlikely to threaten objectives	VL	L	M X	H	VH	Significant capacity or capability issues. Changes highly likely to threaten achievement of objectives
Explanatory Notes (Completion Mandatory) <p>Whilst little internal expertise and experience exists for the installation of long marine outfalls, this is not considered an essential requirement for this project. Sound and competent engineering capability and experience is available to manage this complex, multi-million pound investment.</p> <p>Experienced and capable contractors with a track-record of designing and installing outfalls will be vital to minimise risk of providing a satisfactory outcome that will be resilient, robust and capable of withstanding the onerous conditions that the pipeline will be subject to.</p> <p>Hence, it is considered that the Capacity and Capability assessment is “Medium” for this project.</p>							

Risk Potential Assessment

[Note: Record summary assessment mark to Complexity Assessment Summary table below]

Risk Potential Assessment

Table B

Programme/Project Complexity Assessment

An assessment of the complexity factors that may affect the achievement of the programme/project objectives

B4 Scale		Very Low	Low	Med	High	Very High	
B4.1 Time	Timescales not challenging, no external drivers. No imposed changes expected to the agreed schedules. Contingency available and tested business continuity plans.			X			Schedules very challenging. Immovable deadlines. Major changes to deadlines or imposed deadlines likely to occur. Very limited or no contingency or contingency options available.
Explanatory Notes	There are no external or regulatory drivers influencing the delivery of this project. However the resilience of the existing outfall will continue to diminish as time passes and the risk of leakage or failure of the pipe will increase; the condition survey of the outfall in 2011 concluded a remaining asset life could be as low as zero years to leakage and 9 years to failure						
B4.2 Budget	<p>Budgets within delegations and local control.</p> <p>Costs relatively small to overall organisational programme/project spends.</p> <p>Budgets agreed and stable. Appropriate financial management systems established.</p> <p>Change management system in place.</p>					X	<p>Budgets outside organisational spend delegations.</p> <p>Cost estimates subject to significant pressures from ongoing or expected change.</p> <p>Costs are significant, relative to the organisation's programme/project spend.</p> <p>Financial management system not in place or audited. Cross organisational/ multi-faceted funding with complex financial control and reporting.</p>
Explanatory Notes	The cost of resolving the outfall risk of failure are very significant in terms of the normal capital expenditure for GW, namely ~200-250% greater than the annual budget						
B4.3 Benefits	Benefits relatively small. Benefits easily and clearly defined, owned, measurable					X	Magnitude of benefits significant. Complex benefits realisation challenges. Changing benefits

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Risk Potential Assessment

	and achievable. No expected changes which might increase scale of benefits.						management environment or realisation responsibilities. Achievability of benefits in doubt. Difficult to measure.
Explanatory Notes	<p>The two prime drivers of this project are:</p> <ol style="list-style-type: none"> 1) The avoidance of dis-benefits that would prevail should the existing outfall fail and result in sewage being discharged closer to shore than currently, i.e. where the fail occurred, or necessitating the discharge of sewage through the short sea outfall or via temporary pumping arrangements on the foreshore immediately adjacent the sea wall, and 2) The requirement to extend the outfall into the “optimum zone” of dispersion that would achieve acceptable risk of bacteriological pollution being washed back to shore on any part of the Island (as recommended in the modelling report undertaken by Intertek METOC in 2011) 						
B4.4. Quality	Quality requirements clear, easily achievable and stable.			X			Quality targets extremely challenging, likely to change significantly, or hard to achieve.
Explanatory Notes	<p>The pipeline facility will be expected to provide a relatively maintenance free asset with an asset life of at least 60 years.</p> <p>The extension of the pipeline to the “optimum zone” will provide a higher level of outcome than the existing configuration and minimise the risk of bacteria being washed on shore to acceptable levels in line with UK and EU equivalent standards.</p>						
Scale summary assessment	Small scale, changes unlikely to threaten objectives	VL	L	M	H X	VH	Very large scale, and changes highly likely to threaten achievement of objectives
<p>Explanatory Notes (Completion Mandatory)</p> <p>Whilst there are no legal, regulatory nor political deadlines that have to be met for this project, the longer the project is not implemented the risk to failure of the existing asset will continue to increase. The initial most likely failure will be leakage of sewage from the pipe either through failed joints or cracks in the pipe structure (either longitudinally or laterally), but then more catastrophically by failure of the pipe completely through “bursting” due to excessive internal pressures from the hydraulic pumping head, or collapse due to instability of the tunnel structure onto the pipe.</p> <p>It is the avoidance of these dis-benefits that result in the Scale risk being assessed as “High”.</p>							

Risk Potential Assessment

[Note: Record summary assessment mark to Complexity Assessment Summary table below]

Complexity Assessment Summary

(Insert the marks allocated for each of the four (yellow) summary assessments from Table B above)

Complexity Areas summary assessments	VL	L	M	H	VH
Strategic Profile (B1.1 – B1.4)				X	
Delivery Challenge (B2.1 – B2.10)			X		
Capacity and Capability (B3.1 – B3.4)			X		
Scale (B4.1 – B4.4)				X	
B5. Overall Complexity Assessment			X		

Explanatory Notes (Completion Mandatory)

It cannot be underestimated that the technical complexity of installing a new outfall is immense. Any works within marine environments bring very major hazards and this is compounded at this location with the relatively extreme tidal ranges both in heights and stream currents.

The need for specialist plant and equipment that can handle sub-marine and/or sub-terrain construction is essential for this project, together with experienced contractors that know the limitations and have installed similar work in similar conditions. Whilst such facilities are limited there are several known contractors /suppliers within UK/Europe and with careful selection and detailed design of the new works the risk can be maintained within manageable and acceptable limits.

The “Delivery Challenge” and “Capacity and Capability” categories are considered to be the most predominant

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Risk Potential Assessment

under the Complexity Assessment summary for this project; therefore the Overall Complexity Assessment has been classed as “Medium”.

[Note: assessment above to be used on Table C]

Risk Potential Assessment

Table C

Risk Potential Assessment

Plot overall summary assessments from Table A (line A6) and Table B (line B5) and mark with an **X** in grid below

Overall Consequential Impact Assessment (Table A summary)	Very High			X	High Risk	
	High	Medium Risk				
	Medium					
	Low					
	Very Low	Low Risk				
		Very Low	Low	Medium	High	Very High

Overall Complexity Assessment

(Table B summary)

Now transfer the Risk Potential Assessment score from Table C to Box 14 on the cover sheet of this form.

Please send the fully completed and approved RPA to the PMO, who will pass it on to your the States Portfolio Director.

Who arranges the reviews?

To arrange and manage the process for a Strategic assessment review, SoG Gateway and Project Assessment Reviews it is generally as follows:

Risk Potential Assessment

Significant Projects & High Risk Assurance Reviews: By PMO

Medium Risk Assurance Reviews: By PMO

Low Risk Assurance Reviews: By Departments, usually through consultation with the PMO.

Scheduling and lead times:

When planning the following assurance reviews please assume the approximate lead times below.

These lead times are from the review's Assessment Meeting to the start date of the required review, **not from submission date of the RPA.**

Strategic Assessment Review: 4 -6 weeks

SoG Gateway: 8 - 10 weeks

Project Assessment Review: 8 - 10 weeks

Lead times may vary because of a number of factors, for further guidance contact the PMO.

Note: Failure to provide sufficient information in this RPA may delay the timing of your assurance review.

Risk Potential Assessment

Contact the PMO for advice.

<http://www.pmo@gov.gq>

APPENDIX C – Belle Greve Wastewater Centre (BGWwC)

Development Programme

Phased works carried out: 2007 to 2014

Introduction

The main Belle Greve pumping station discharges into the Little Russel through the long sea outfall. The main pumping station utilises the full capacity of the main outfall, some 750 litres per second at high tide, increasing to almost 1,000 litres per second at low tide.

Wastewater flows received at the Belle Greve Facility increase substantially during wet weather equating to in excess of 10 times normal Dry Weather Flow. Flows received at the Belle Greve Disposal Facility regularly exceed the capacity of the main pumping station and outfall.

Excess flow is most likely to occur after intense rainfall such as occurs during a late summer thunderstorm or after a prolonged period of heavy rain in late autumn when the ground is saturated.

Phase I - Storm Overflow, New Auxiliary Pumping Station and Red Lion Auxiliary Outfall

Phase I of the BelleGreve Refurbishment Project provided a new auxiliary pumping station connected to the Red Lion Short Sea Outfall. This was built first to facilitate refurbishment of the main pumping station and to increase the total capacity of the BelleGreve Wastewater Disposal Facility.

The new auxiliary pumping station automatically receives and discharges any excess flows that cannot be discharged through the main pumping station and long sea outfall. This is known as a storm overflow, which is a standard requirement of combined sewerage networks.

Due to the urgency of completing refurbishment of the main pumping station, refurbishment and potential extension of the Red Lion Auxiliary Outfall has been postponed until Phase IV of the refurbishment project.

This phase was further amended and noted during Phase V note.

APPENDIX C – Belle Greve Wastewater Centre (BGWwC)

Phase II - Survey works of Outfalls, LSO including Tunnel Section and SSO

The existing LSO passes through a purpose built tunnel prior to rising to the sea bed and continuing for an overall outfall length of approximately 1.8km.

The tunnel was excavated in the early 1960's as part of the Belle Greve compound development, the tunnel was excavate using typical drill and blast techniques with preformed tunnel sections used to prop areas of the tunnel where the rock stability was found to be in a poor condition.

Due to the number of fissures of within the rock and excessive seawater infiltration, the decision was made to deliberately flood the tunnel upon completion of the works in an effort to stabilise external pressure.

Unfortunately this decision had far reaching consequences when it came to the future maintenance of the LSO.

Due to the depth of access shaft and otherwise poor access in general, a remote operated vehicle was used to camera and sonar survey as much of the tunnel as possible, however significant debris and obstructions were encountered within the tunnel which prevented a full tunnel survey.

It is believed that these obstructions are likely to be the preformed tunnel sections possibly failing or other tunnelling equipment which was abandoned within the tunnel.

The seabed section of pipeline was surveyed by a mixture of Internal ROV survey and external visual inspection by States Harbour divers.

The SSO was camera surveyed internally by the same ROV and externally by visual inspection during low tide, in addition metallurgy surveys were carried out on sections removed and sent to the UK for destruction testing.

Phase III - Complete Station refurbishment of existing LSO building

The Belle Greve LSO station was constructed in the early 1960's and by 2012 when works commenced it had become impossible to source spares and had become an extremely unstable station susceptible of failure due to the age and maintainability of existing parts.

The 2 existing Sulzer™ motors were no longer produced and spare parts had become impossible to source and so the decision was made as part of the overall strategy that once the Auxiliary station was commissioned it then became possible to refurbish the LSO.

All pumps were replaced with Flygt™ units, a new panel was installed and significant internal amendments were made with a view to providing a more user friendly and maintainable station.

The works were carried out in an accelerated programme during 2009.

APPENDIX C – Belle Greve Wastewater Centre (BGWwC)

Phase IV - New LSO and SSO Outfalls

The scope of this current project, to provide a disposal means for the sewage from the BGWwC.

Initially, Phase IV was included with Phase V (see below), however progress and completion of the Phase V work was deemed to be required ahead of the outfall works in order to provide a sewage that had been screened and grit had been removed. Additionally, survey work to ascertain the condition and asset life of the remaining facility was required before proposals could be progressed for its replacement or refurbishment.

During the 2009 SoG Capital Prioritisation review the expectation of Phase IV was that the LSO could be refurbished cost-effectively, however, the condition survey and assessment concluded that the tunnel section could not be drained due to the inherent introduction of unacceptable stresses on the tunnel structure and subsequent risk of collapse. Hence this option is no longer appropriate given that the costs would exceed those of a replacement outfall.

Phase V - Construction of new Preliminary Treatment Facility and Storm Water Retention Tank

As with the LSO building, the existing treatment facility had become un-maintainable and had failed 6 months prior to the construction of the new Treatment facility. The existing comminutors had stopped working with no spares available and the Pista™ grit removal system had failed with a view to not waste any more money upgrading the unit further.

The new works provides an up to date fine screening (6mm in any two-dimensions) and grit removal system, in addition the Auxiliary station was converted into a lift station and now pumps the effluent to the head of the new works.

Where the existing Pista™ facility once stood, a new Storm Pumping Station was constructed which pumps storm flows via fine screens into a 4,000m³ storm storage tank.

Once the storm tank has filled to capacity, the storm water is then pumped through the SSO via an automated valve arrangement.

These works were completed in 2013.

(NB The Treasury and Resources Department has commented as follows:

It is noted that a condition survey and modelling have determined that the original intention to refurbish just the Long Sea Outfall at a cost of approximately £4million (in 2009) is not feasible and this project is now for the “design and build” of a replacement Long Sea Outfall and replacement or refurbishment of the Short Sea Outfall for the Belle Greve Wastewater Centre at an estimated cost of £18.6million.

In June 2009, the States considered the Treasury and Resources Department’s States Report entitled “Capital Prioritisation” and, inter alia, resolved “To re-affirm the principle that States borrowing (whether internal or external) should be approved only for capital projects with a secure, associated income stream.”

In respect of the funding source for this capital project, as set out in the States Capital Investment Portfolio States Report, the Treasury and Resources Department has proposed to the Public Services Department that the option of progressing this project through Guernsey Water without recourse to General Revenue should be considered. This would necessitate financing by way of borrowing which the Treasury and Resources Department considers to be suitable form of funding for this long term investment in water infrastructure (given its secure income stream capable of repaying such borrowing). This option is not attractive to the Public Services Department due to the requirement for Guernsey Water to take on significantly higher debt than currently anticipated in its forward capital plan, which will inevitably lead to increased water/wastewater charges. However, the Treasury and Resources Department believes that further work should be undertaken by the two Departments to explore the impact of this option on, inter alia, Guernsey Water’s future capital investment plans and future water and wastewater charges. It is intended that the 2015 Budget Report will include a recommendation for the funding source. Notwithstanding that the source of funding is not yet finalised, the Treasury and Resources Department supports these capital works, subject to the project achieving Green Gateway Reviews.)

(NB The Policy Council supports the Report and considers it complies with the principles of good governance.)

The States are asked to decide:-

XIII.- Whether, after consideration of a Report dated 3rd April, 2014, of the Public Services Department, they are of the opinion:-

1. To approve the issue of tender documents for the Belle Greve Phase IV Project for the “design and build” of the replacement of the long sea outfall and replacement or refurbishment of the short sea outfall.
2. To approve delegated authority to the Treasury and Resources Department to approve award of the contract to the preferred bidder, providing costs are returned within the estimated figure of £18.6 million as presented in the Treasury and Resources Department States Report entitled “States Capital Investment Portfolio” published in Billet d’État XVI of 2014.

HEALTH AND SOCIAL SERVICES DEPARTMENT**TOBACCO PRODUCTS (GUERNSEY) ORDINANCE, 2014 – UPDATED
PROPOSAL**

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

7th May 2014

Dear Sir

EXECUTIVE SUMMARY

1. Since the States Resolution of the 29th November, 2012 (concerning Billet d'État No XXIII of 19th October 2012), the Department has held several consultation meetings with local traders about the proposals for licensing of trade in tobacco products. During discussions the view put forward was that there should be compatibility with the practical application of the Liquor Licensing Law.
2. It has been brought to the Department's attention that the general practice in off-licence liquor retail outlets is to allow under-18s to transact sales of liquor if supervised by an adult (18 years or above). The Department is of the view that the Tobacco Products (Guernsey) Ordinance, 2014 should generally be consistent with practices in the liquor licensing sector. The Department is of the view that a licence granted under the Tobacco Products (Guernsey) Ordinance, 2014 should allow tobacco products to be sold by an under-18 if supervised by an adult.
3. In addition, the States Resolution of the 29th November, 2012 (concerning Billet d'État No XXIII of 19th October 2012) also resolved that the Police should have powers to confiscate tobacco products from persons under the age of 18 years in public places.
4. Guernsey Police has advised that in order to give practical effect to the power to confiscate tobacco products from children in public places, it is necessary to create an offence of possession of tobacco products by children in a public place. This is in line with the Children and Young Persons (Control of Intoxicating Liquor) (Guernsey) Law, 1986, which makes it an offence for children to be in possession of intoxicating liquor in a public place. Therefore, HSSD agrees that the proposed Ordinance should include such an offence to give effect to the police power of confiscation of tobacco products in public places.

CONSULTATION AND CORPORATE GOVERNANCE

5. The Law Officers have been consulted and their comments have been taken into account in preparing this Report.
6. The local tobacco trade and the Home Department have been consulted in relation to the provision for supervised sales of tobacco products and the police power of confiscation of tobacco products from persons under 18 years in public places and are content with the proposals.
7. The Department believes that it has complied fully with the six principles of corporate governance in the preparation of this States Report.

RECOMMENDATIONS

The Health and Social Services Department recommends that the States resolve –

- (a) That possession of tobacco products by a child (a person under 18 years of age) in a public place, without reasonable excuse, should be made an offence punishable by a maximum fine of level 1 on the uniform scale (currently £500);
- (b) That under-18s should be allowed to transact the sale of a tobacco product in premises licensed for the sale of tobacco products, as long as the sale is supervised by an adult (a person 18 years of age or older) and this allowance for supervised sales should continue indefinitely (contrary to the time restriction provided for in the Revised Licensing Framework approved by the States Resolution of 2012); and
- (c) To direct the preparation of such legislation as may be necessary to give effect to the above resolutions.

Yours faithfully

M H Dorey
Minister

M J Storey
Deputy Minister

E G Bebb
Member

B L Brehaut
Member

A H Brouard
Member

(NB As there are no resource implications in this Report, the Treasury and Resources Department has no comments to make.)

(NB The Policy Council supports the proposals, which will enable the implementation of more detailed legislation in relation to tobacco products, which in turn will assist Islanders to adopt healthier lifestyles.

The Policy Council considers this Report complies with the principles of good governance.)

The States are asked to decide:-

XIV.- Whether, after consideration of a Report dated 7th May, 2014, of the Health and Social Services Department, they are of the opinion:-

1. That possession of tobacco products by a child (a person under 18 years of age) in a public place, without reasonable excuse, should be made an offence punishable by a maximum fine of level 1 on the uniform scale (currently £500).
2. That under-18s should be allowed to transact the sale of a tobacco product in premises licensed for the sale of tobacco products, as long as the sale is supervised by an adult (a person 18 years of age or older) and this allowance for supervised sales should continue indefinitely (contrary to the time restriction provided for in the Revised Licensing Framework approved by the States Resolution of 2012).
3. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.

HOUSING DEPARTMENT**HOUSING (CONTROL OF OCCUPATION) (GUERNSEY) LAW, 1994
VARIATION TO THE HOUSING REGISTER**

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

8th May 2014

Dear Sir

1. Executive Summary

The purpose of this report is to seek approval for the preparation of Ordinances (under section 52 of the Housing (Control of Occupation) (Guernsey) Law, 1994) to amend the Housing Register to facilitate the inscription of eight dwellings forming part of the Royal Terrace development at Gategny Esplanade, St Peter Port, in Part A of the Housing Register (i.e. onto the 'Open Market').

Of the eight dwellings referred to above, the inscription of three of these dwellings in Part A of the Housing Register has previously been agreed by the States, and the resultant Ordinance produced, but the units in question remain unsold, and thus incomplete, and the timeframe prescribed by that Ordinance for their inscription in Part A of the Housing Register has expired.

In respect of the other five dwellings, the Developer is seeking to increase the number of Open Market Part A dwellings within the Royal Terrace development beyond the number previously agreed by the States, which raises a number of policy issues that require the States to make decisions that might have wider implications.

2. Background - Policy

On 14th March 2001, the States approved proposals from the then Housing Authority for the inclusion of Open Market accommodation in prestigious or important developments¹.

¹ Billet d'Etat III 2001 page 188 refers.

The proposals were summarised in that States Report as follows:

1. *The policy would not apply to small one-off sites or single dwellings.*
2. *It can apply to sites:*
 - *which are part of a Mixed Use Redevelopment Area (MURA) and where the overall number of new dwellings in the MURA is likely to be in excess of 100; and/or*
 - *where there are other strategic issues.*
3. *In return for each dwelling to be inscribed, one existing dwelling must be deleted from Part A of the Housing Register.*
4. *Neither the dwelling to be deleted nor that to be inscribed will have to meet any specific size or rateable value criteria. It will simply be a numerical exchange, albeit that the Authority will have to approve the specific dwelling which is to be inscribed or deleted.*
5. *The dwelling to be deleted must be unoccupied, or occupied by an unrestricted qualified resident, at the time of the application to delete the inscription. The fact that the dwelling is the subject of an application for the deletion of the inscription from the Housing Register under this policy would not be regarded as a reason which, of itself, would justify the grant of a housing licence to an occupier or former occupier.*
6. ***The number of dwellings which can be inscribed on a one to one exchange basis will be limited to one third of the total number of dwellings in the development or a maximum of eight dwellings whichever is the lesser.***

Note: for the purposes of the above policy statement the words 'site' in number 2 and 'development' in number 6, mean that an owner will only be eligible for one such concession in respect of parcels of adjacent land in his ownership in the MURA. The owner would not be able to increase the number of dwellings beyond the eight or one-third mentioned in number 6 by phasing the site development or by transferring land to an associate company.

(Emphasis added)

Subsequently, the above policy has been commonly referred to as the 'MURA Policy', albeit that it can, and has been, applied to sites that are not MURAs. For that reason, it is hereafter referred to as 'the Policy'.

Of particular interest to this Report is the paragraph relating to the maximum number of dwellings that can be inscribed on any one site. At the time of its introduction, the rationale for setting this cap on the number of Open Market dwellings on any one site was an extrapolation of an earlier specific decision in relation to the redevelopment of the Savoy site, and related to the espoused view that there was a limited number of 'lower end' Open Market dwellings available for deletion.

The Policy was intended to provide an incentive for developers in respect of specific sites in the Island, as it meant that developers could be assured that a fixed number of dwellings could be sold on the Open Market, thus increasing the viability of these residential developments.

However, since its introduction, the Policy has been applied to several sites within the Island's MURAs and to other site around the Island where the States has concluded that there are wider 'strategic issues' as envisaged in the Policy. Such non-MURA sites include: the former Les Vauxlaurens Brewery²; and the former Hotel Les Carterets³. In bringing forward these proposals, it has been evident that their developers appear to have had no difficulty in acquiring 'lower end' Open Market dwellings to deregister in exchange for the inscription of dwellings on these sites, which is relevant to the policy considerations raised later in this Report.

3. Background - Royal Terrace. Gategny Esplanade, St Peter Port

In June 2005, the States of Deliberation agreed, in accordance with the Policy, to allow up to eight Open Market Part A inscriptions (that being the maximum number permitted under the Policy) to take place in respect of dwellings to be created on the former Royal Hotel site, Gategny Esplanade, St Peter Port, which the developer has re-named 'Royal Terrace'⁴.

As a result of the above Resolution, on 26th May 2010 and 15th December 2011, the States of Deliberation approved two separate Ordinances⁵, which, together, permitted the inscription of the above eight dwellings in Part A of the Housing Register in accordance with the 2005 Resolution. Under the 2010 Ordinance it was provided that any application for inscription had to be made on or before 26th November 2010. The later Ordinance required that applications requesting the inscription of the remaining four dwellings identified for inscription on the Royal Terrace site be submitted to the Housing Department on or before 30th June 2013.

Since the 2005 Resolution, and prior to the expiry of the application periods under the 2010 and 2011 Ordinances, five of the permitted eight units of accommodation have been inscribed in Part A of the Housing Register. However, it was not possible to inscribe the remaining three units by the 30th June 2013 deadline as their internal construction had not progressed to the extent that they were considered to be capable of human habitation, in accordance with definition of a 'dwelling' in the Housing (Control of Occupation) (Guernsey) Law, 1994. (NB It is a prerequisite of the Housing Control Law that any property inscribed in the Housing Register must be a 'dwelling'.)

² Billet d'Etat IV 2012 page 649 refers.

³ Billet d'Etat XV 2013 page 1276 refers.

⁴ Billet d'Etat IX 2005 page 1150 refers.

⁵ Billet d'Etat XI 2010 page 633 and Billet d'Etat XXI 2011 page 2705 refer. Ordinances Nos. XXV of 2010 and XLIV of 2011.

Furthermore, at the time of writing, only three of the eight dwellings referred to above have been sold.

As a consequence of the above, in the absence of a further Ordinance it will not be possible to give effect to the 2005 Resolution in full, and the Developer will be unable to inscribe the remaining three units that have been earmarked for sale on the Open Market.

In simple terms, this could be addressed by a further Report asking the States to make the same decision as in 2005 for the remaining 5 dwellings; however, the Developer has asked the Housing Department to vary this decision in the light of its experience in marketing the properties in the intervening period.

4. New Decision

The Developer is now seeking permission to go beyond the limitations of the Policy, by requesting that, through subdivision of the planned units, a further five dwellings be inscribed in the Housing Register, bringing the total number of Open Market Part A dwellings within this development to 13.

In this regard, it should be noted that the economic climate has changed significantly since the States first discussed this matter in 2005. Although the Developer had envisaged no difficulty in selling large Open Market penthouses (that is to say units in excess of 3,000 square feet), the reality, almost a decade later, is that there does not currently appear to be an appetite for Open Market units of that size in this location.

However, the way in which these units have been constructed, and the limited extent to which they have been completed internally, means that it would be relatively simple for the Developer to divide the floor space of each unit so as to provide two units of accommodation on the footprint intended for one unit, resulting in ten units of accommodation each of not less than 1,400 square feet.

If the Developer was to do so, the space earmarked for five dwellings (two of which are already inscribed in Part A of the Housing Register) could be further sub-divided to create ten dwellings in total.

Of the ten proposed dwellings:

- (i) **two** dwellings could be inscribed in Part A of the Housing Register, with the permission of the Department, as there are already two Open Market dwellings within this part of the development and the re-inscription of one part of a sub-divided Open Market dwelling with the Department's consent is allowed for under the provisions of section 35 of the Housing (Control of Occupation) (Guernsey) Law, 1994;
- (ii) in accordance with the 'expired' 2005 Resolution, the States could instruct that a new Ordinance is drafted allowing **three** dwellings to be inscribed, bringing the total number of Open Market dwellings on this site up to eight, that being the maximum number permitted under the Policy; and

- (iii) **five** further dwellings could be inscribed in Part A of the Housing Register if – and only if – the States is prepared to deviate from the Policy.

5. Deviation from the MURA Policy

Whether or not to deviate from the Policy is entirely a matter for the States. In support of this, the Housing Department takes the view that no policy ought to be followed so slavishly that requests falling beyond the bounds of the policy are dismissed out of hand, but rather that requests to deviate from the Policy need to be considered on their merits.

6. Considerations

It should be noted that, before bringing this matter to the States for consideration, the views of the Policy Council, Treasury and Resources Department, and the Commerce and Employment Department were sought, none of whom put forward compelling arguments either for or against the Developer's request; but all of which could be described as being generally supportive of the request, if the fiscal, economic and housing stock benefits promoted by the Developer could be realised.

7. Policy Issues

Fiscal and Economic Benefits

The Developer argues that the difficulty he is now experiencing in relation to the sale of these very large Open Market units could not have been anticipated, and that to delay their sale further by causing them to remain of a size that appears to be too large to be attractive to today's Open Market purchasers serves only: (i) to delay direct and indirect revenue to the States in the form of Document Duty; and (ii) to delay opportunities for the economy to benefit from the funds that will circulate through local businesses when the units are sold and fitted out to the specifications of the new owners.

Nonetheless, it should be noted that it is impossible to quantify these benefits as: (i) Document Duty is calculated as a percentage of the actual purchase price of the property in question; and (ii) the 'quality' of the fit-out of these units of accommodation will be entirely prescribed by their new owners.

With regard to any wider fiscal benefits that might accrue to States as a result of the creation of more, smaller, units of Open Market Part A accommodation, this too is impossible to quantify, not least because, at this stage, one can do no more than speculate as to the type of person(s) who might seek to acquire the ten smaller Open Market units that would be created if the States accedes to the Developer's request.

For example, it might be that some purchasers are existing Open Market owners looking to downsize to more modest and manageable accommodation, thus

freeing up Open Market dwellings elsewhere for newcomers, (and in this regard it should be noted that accommodation within the Royal Terrace development complies, as far as possible, with Lifetime Homes Standards, and so is attractive to older persons or adults with health and social care needs and/or with restricted mobility).

Alternatively, some of the units might be purchased by newcomers wishing to move to the Island permanently, or who intend to spend only limited time in the Island each year, and so seek accommodation suitable to 'lock up and leave' for several months at a time.

Many Open Market residents bring with them funds that will be invested via local financial institutions, and make extensive use of local goods and services. There is no reason to suppose that any new Open Market residents who relocate to Guernsey to take up residence on the Royal Terrace site, or in the accommodation vacated by existing Open Market residents moving onto the site, will not make an economic contribution to the Island during their period of residence.

Regardless, although it is impossible to make any meaningful projections about the extent of any 'knock-on' fiscal and economic benefits that might accrue to the Island either from newcomers to the Open Market or from a chain of movements in the Island's property market, it remains a fact that whilst these units remain mismatched to the requirements of potential purchasers, they will remain unsold and the fiscal benefits that will accrue to the States upon their sale and fit-out, and any wider economic benefits that would ordinarily follow, will be delayed.

Housing Stock Benefits

In terms of the Island's overall Local Market housing stock, if the States is minded to agree to deviate from the Policy and to permit the inscription of a further five Open Market dwellings on this site, then it is recommended that, in line the provisions of the Policy, their inscription is conditional upon there being compensatory deletions from the Housing Register of five Open Market dwellings elsewhere in the Island.

As the deleted dwellings would most likely be 'bottom end' Open Market dwellings, these would, perhaps, be more attractive to Local Market purchasers than apartments on the Royal Terrace site. However, it is relevant to note that the Developer has confirmed that, at the time of writing, 14 of the 46 Local Market units created on this site remain unsold, thus indicating that there is no pressing demand for further Local Market units on this particular site.

Precedent

Although the Housing Department has argued above that each request to deviate from the Policy should be considered on its merits, it is nonetheless important, when considering whether to deviate from the Policy, that the States consider the wider implications of doing so; in particular, whether such a deviation will create a precedent for future such requests.

In this regard, it should be noted that much of the land suitable for large-scale residential development within the Glatigny MURA has already been developed, and the same is true of Le Bouet MURA. With regard to the Leales Yard MURA, there are no indications that the Developer will seek to provide significant numbers of Open Market units on this site, and thus the extent of the precedent that might be set by deviating from the Policy in respect of the Island's MURA sites is considered to be limited, and up to eight Open Market units would be permitted under the terms of the Policy.

With regard to non-MURA developments, these can be distinguished simply by virtue of their location, and it is unlikely that many sites outside of the Island's MURAs will be identified as suitable for the development of more than 24 dwellings. A developer would have to go above this number before any request to inscribe one third of the dwellings on the site exceeded the eight dwellings cap of prescribed by the Policy.

In terms of the ratio of Local to Open Market dwellings on this particular site, when the matter was first debated by the States in 2005, the Developer indicated that 34 Local Market units would be created within the Royal Terrace. Since those initial projections, more creative use of the space available within the site has resulted in a total of 46 Local Market units being created. Given this, the request to inscribe 13 dwellings in the Housing Register is still well within the 'one third' ratio envisaged by the Policy, albeit that it is acknowledged that it exceeds the current cap of eight Open Market dwellings on any one site.

8. Conclusions

Clearly, the request to inscribe a total of 13 dwellings in Part A of the Housing Register goes beyond the bounds of the existing States Policy, which restricts the maximum number of dwellings that can be inscribed in the Housing Register on any one site within a MURA to eight.

Whilst it remains open to the Developer to reduce the size of the five unsold units that are earmarked for inscription in the Housing Register in order to create a combination of Open and Local Market units, he cannot be required to do so.

Similarly, although it is for the Developer to shoulder the commercial risks associated with the development of this site, it remains in no-one's interest for the units to remain unsold, and the Developer asserts that smaller Open Market units are more likely to sell in the present climate.

By allowing a further five inscriptions, the Developer will have to deregister five Open Market dwellings elsewhere in the Island, so there will be an increase in the number of Local Market units of accommodation that might not otherwise occur, and the findings of the most recent Housing Needs Survey⁶, when read in conjunction with the findings of the most recent Housing Stock Bulletin, indicate that there remains significant unmet demand for housing within the Island.

⁶ www.gov.gg/Housing

Therefore, the opportunity to provide even a modest increase in Local Market accommodation ought to be supported.

Finally, given the extent to which the Island's MURAs have already been developed, and the location of the undeveloped MURA, the precedent created by deviating from the Policy on this occasion is likely to be limited.

In light of the above, there appears to be more to recommend a deviation from the Policy to facilitate the inscription of a further five dwellings in Part A of the Housing Register than to advise against it, and the Housing Department has, therefore, on balance agreed to recommend that the States to permit the additional five inscriptions in Part A of the Housing Register, notwithstanding that, technically, it breaches the terms of the 2001 Policy.

9. Consequential Matters

Section 52 of the Housing Control Law provides for discretion with regard to the period during which the inscriptions permitted by an Ordinance must take place.

As has been evidenced on the Royal Terrace site, it is difficult to predict not only when a dwelling earmarked for Open Market inscription will sell, but also when, on behalf of the new owner, the Developer will have completed the internal fit-out of the unit to the extent that it falls within the Law's definition of a dwelling, and thus is capable of inscription.

With this mind, and noting that the inscription of three of the units that are the subject of this Report has previously been approved by the States, but that the Ordinance giving effect to the States' decision has expired before the dwelling have been sold and completed, it is considered prudent to exercise the discretion afforded by section 52 of the Law to provide a significant period of time within which to inscribe the dwellings.

As such, it will be recommended that the Developer is given until the April 2016 (i.e. until the end of this political term of office) to bring about the inscriptions that are the subject of this report.

10. Consultation with the Law Officers of the Crown

The contents of this report have been discussed with the Law Officers of the Crown. They have confirmed that should the States resolve to permit inscription in accordance with the recommendation, an Ordinance will be required as explained in section 12 of this Report.

11. Principles of Good Governance

In preparing this Report, the Department has been mindful of the States Resolution to adopt the six core principles of good governance as defined by the UK Independent Commission on Good Governance in Public Services (Billet

d'Etat IV of 2011). The Department believes that, to the extent to which those principles apply to its contents, this Report complies with them.

12. Drafting of Legislation

Assuming that the States of Deliberation resolves to permit the dwellings that are the subject of this report to be inscribed in the Housing Register, there will be a requirement, as noted, to prepare an Ordinance as this is the only mechanism via which to achieve the necessary variation to the Housing Register.

The Ordinance is sufficiently standard that it can be drafted by the Housing Department and then forwarded to the Law Officers of the Crown for checking and progressing. If the Ordinance is not prepared in line with the recommendations contained in this Report, it will not be possible to inscribe the dwellings in the Housing Register.

13. Recommendation

The Housing Department recommends that the States agree that an Ordinance be prepared, in accordance with section 52 of the Housing (Control of Occupation) (Guernsey) Law, 1994, to permit the Department to inscribe individually in Part A of the Housing Register:

- a) three dwellings on the Royal Terrace site in respect of which a previous Amendment Ordinance, which came into force on 14th December 2011, has expired; and
- b) a further five dwellings which will be created on the Royal Terrace site;

subject to: (i) application to inscribe each of the above dwellings being made by the owners not later than 30th April 2016; and (ii) the equivalent number of Open Market Part A dwellings located elsewhere in the Island first being deleted from Part A of the Housing Register at the request of the owner of each of those dwellings.

Yours faithfully

D B Jones
Minister

M P J Hadley
Deputy Minister

P R Le Pelley

B J E Paint

P A Sherbourne

D Jehan
Non States Member

(NB The Treasury and Resources Department has commented as follows:

As the Housing Department sets out in its Report, it is not possible to quantify the fiscal and economic benefits arising from its proposals but until the properties are sold, no benefits will be realised. Notwithstanding that the potential benefits cannot be quantified, it is anticipated that they will be positive and, therefore, the Treasury and Resources Department supports this States Report.

The Treasury and Resources Department notes that the policy for the inclusion of Open Market accommodation in prestigious or important developments was approved in 2001. Given the changed fiscal and economic situation since that time, the Treasury and Resources Department would welcome a review as to whether this policy is still appropriate or if it should be revised, in particular to allow an overall increase in the number of properties on the Open Market Register.)

(NB By a majority the Policy Council supports the Report. It also considers that the proposal complies with the Principles of Good Governance.)

The States are asked to decide:-

XV.- Whether, after consideration of the Report dated 8th May, 2014, of the Housing Department, they are of the opinion:-

1. To agree that an Ordinance be prepared, in accordance with section 52 of the Housing (Control of Occupation) (Guernsey) Law, 1994, to permit the Department to inscribe individually in Part A of the Housing Register:
 - a) three dwellings on the Royal Terrace site in respect of which a previous Amendment Ordinance, which came into force on 14th December 2011, has expired; and
 - b) a further five dwellings which will be created on the Royal Terrace site;
 subject to: (i) application to inscribe each of the above dwellings being made by the owners not later than 30th April 2016; and (ii) the equivalent number of Open Market Part A dwellings located elsewhere in the Island first being deleted from Part A of the Housing Register at the request of the owner of each of those dwellings.
2. To direct the preparation of such legislation as may be necessary to give effect to the above decision.

STATES' ASSEMBLY AND CONSTITUTION COMMITTEE

STATES' MEETINGS - BROADCASTING, USING SOCIAL MEDIA, TAKING PHOTOGRAPHS

The Presiding Officer
The States of Deliberation
The Royal Court House
St. Peter Port

30th May 2014

Dear Sir

EXECUTIVE SUMMARY

On 27th November, 2013 after consideration of the Policy Council's report entitled *Broadcasting Meetings of the States of Deliberation and the States of Election – Transfer of Responsibility* (Article 8 of Billet d'État XXII of 2013), the States resolved:

1. To approve the following amendments to the mandates of the Home Department and States Assembly and Constitution Committee:
 - a) Home Department: at the end of the second bullet point in paragraph (a), insert the words “(excluding the broadcasting of the proceedings of the States of Deliberation and States of Election)”; and
 - b) States Assembly and Constitution Committee: in paragraph (a) after subparagraph (vi) insert “(vii) The broadcasting of the proceedings of the States of Deliberation and the States of Election,” and renumber existing subparagraphs (vii) to (x) as (viii) to (xi).’
2. To rescind Resolution 2 of Article XVIII, Billet d'État No II of 1983, namely; *“the States Broadcasting Committee be requested to oversee the arrangements for such broadcasts, to consider and approve or disapprove of any specific proposals or procedures under the terms of Resolutions of the States, and to make representations to the States in the event that any modifications of the terms, policies or arrangements are considered desirable.”*
3. To direct the States Assembly and Constitution Committee to report back to the States of Deliberation with possible changes to the current arrangements.

Having been given responsibility for the broadcasting of States' meetings, and in line with those Resolutions, the Committee proposes amendments to the current rules regarding such broadcasting.

This policy letter also takes the opportunity to deal with the related issues of privilege, States' Members' use of social media during States' Meetings, and the taking of photographs in States' Meetings.

REPORT

1. Following a request from BBC Radio Guernsey the States agreed in February, 1982 to establish a States Meetings Broadcasting Investigation Committee to examine the matter of broadcasting the proceedings of the States of Deliberation. In January, 1983 the Investigation Committee reported back to the States and they agreed to the broadcasting in sound only of States of Deliberation Meetings by BBC Radio Guernsey and Channel Television only and subject to certain restrictions. At the time the broadcasters and the policy letter envisaged that generally only edited highlights would be broadcast with occasional live coverage and that is what happened initially. However, from 1987, when the BBC acquired its FM frequency, it began broadcasting all of every States' meeting live on its original 1116 Medium Wave frequency. That service has been popular over the years and a part of Guernsey politics and the Committee would like to place on record its appreciation to the BBC.
2. The broadcasting of sittings of the States of Election was not included in the policy letter of the States Meetings Broadcasting Investigation Committee. However, those proceedings have been broadcast by the BBC since it began its live coverage of the States of Deliberation in 1987. In 2013, while the Home Department still had the responsibility for the broadcasting of States' meetings, it was considering proposing a liberalisation of the rules. It consulted the Jurats and douzaines on whether the level of access to the States of Election should be brought into line with that given to the States of Deliberation. At that stage the Jurats were supportive of the proposals, subject to certain guidelines being in place. Of the douzaines which responded, five supported broadcasting of the States of Election and three offered no view either way. In light of that the Policy Council recommended and the States approved including broadcasting meetings of the States of Election in the revised mandate of the States' Assembly and Constitution Committee.
3. The Committee believes that the relaying of the proceedings of the States of Deliberation and Election should now be able to take advantage of the latest technology. At present, the live proceedings can only be heard on radio and then only on Medium Wave, although excerpts and/or commentary are provided by all four local news media. This policy letter therefore proposes changes to the current regime – namely the almost-complete liberalisation of the present regime, in the hope that media organizations will take advantage of that freedom to broadcast States' meetings using other technology.
4. This policy letter also comments on States' Members' absolute privilege and related issues.

5. This policy letter includes observations on the use of social media by Members of the States from States' Meetings but does not propose any changes.
6. In addition, this policy letter deals with the issue of the taking of photographs in States' Meetings and proposes formalising the present informal restrictions.

Broadcasting of meetings of the States

7. As stated above, the proceedings of all States' meetings have been broadcast by the BBC since 1987. Advancements in technology mean that members of the public may now wish to follow proceedings other than on the radio. In the interests of accessibility to and the transparency of the political process, the Committee believes that the broadcasting of meetings of the States should now be liberalised so that the media can offer their audiences a choice of ways of listening to the proceedings.
8. The Committee hopes that the freedom proposed in this policy letter will be used to stream the audio feed on the internet so that listeners are no longer reliant on having access to a radio with Medium Wave capability. The proceedings could therefore be followed from anywhere in the world subject to an internet connection.
9. Streaming is a technique for providing live and "on demand", i.e. listen or watch again / later, sound or video over the internet. Audio and video content is compressed, reducing the file sizes so that they are small enough to be transmitted over the internet. The quality is dependent on a number of factors including bandwidth – literally the amount of information that any given internet connection can carry at any time.
10. The Committee hopes that, in addition to streaming the audio output live, media organizations would also offer a listen again / later facility to users, as is offered with "player" websites for radio and television stations. For cost and storage reasons it should be noted that it might be that the output from each States' meeting would only be available for a certain period afterwards.
11. By proposing the removal of restrictions the Committee hopes other new technology would be adopted by providers as it emerges without the need to return to the States for approval.
12. The current sound output from the States is provided to the BBC, Channel Television and Island FM. Under the terms of the existing Resolution Island FM is able to receive it but is not allowed to broadcast it live, although it does use excerpts in news bulletins. Channel Television chooses not to broadcast it. At present BBC Guernsey is, therefore, the only organization which provides full and live coverage of the proceedings. It has a connection to the sound recording equipment with which the Royal Court Chamber is equipped. That equipment is also used to make an official audio record of the proceedings of the States (which

is used to produce the Official Report [Hansard]) and when the Royal Court Chamber is used as a court. The Committee is not proposing that there should be any change to that system other than to allow any media organization to link to that sound feed on application.

13. The link as far as the media room in the Royal Court building is part of the building infrastructure. The equipment in the media room and the connection with the BBC's outside transmitting equipment belongs to the BBC.
14. For the avoidance of doubt, nothing in this policy letter will lead to the broadcasting of any court proceedings from the Royal Court Chamber. That is entirely a matter for the Royal Court to decide and not the States.
15. At present only BBC Guernsey and Channel Television are permitted to broadcast live the proceedings of the States and the recordings can only be made available to other stations operated by the BBC or regulated by the IBA¹. The Committee believes that there should be minimal controls on who provides the broadcasting service. Notwithstanding the coverage which has been provided over many years, the Committee sees no point in restricting who can broadcast proceedings. It hopes that a wider choice of outlets might lead to an increase in listeners and also increase public engagement with the proceedings by being broadcast by different entities and in different formats.
16. In 1983 the States also specifically resolved that their proceedings should be broadcast in sound only. Despite the subsequent progress of technology, and changes in coverage of other assemblies, that remains the case today. The Committee believes that there is no reason now to continue with that restriction. The Committee therefore regards the remaining part of the States' Resolutions from 1983 (Resolution 1 of Article XVIII, Billet d'État No II of 1983) as unnecessarily restrictive and should be rescinded.
17. Notwithstanding the proposed liberalisation of who can broadcast States' meetings and by what method, the Committee believes that there needs to be certain controls on what is broadcast. For example, broadcasters should not knowingly distort the meaning of what was said. Similarly, if proceedings were to be televised, there should be some controls on what could be shown. For example, members of the public who are wheelchair users, who are now able to sit immediately in front of the public gallery in the main body of the Royal Court Chamber, should not be shown as they are private individuals and not Members of the States.
18. There should also be some controls to prevent the Royal Court Chamber potentially being overrun with recording equipment. One way of reducing the need for extra equipment in the Royal Court Chamber would be to have an agreement designating one media organization which sought to broadcast States'

¹ The responsibilities of the Independent Broadcasting Authority (IBA) have since been conferred on Ofcom.

meetings as the “primary broadcaster”. It would be obliged to share a “clean”² output feed (either audio or audio and visual) with any other media organization on request and to be able to charge a nominal fee or for the direct costs only. That type of agreement, which would be in addition to the agreements referred to later in this policy letter, is what the Committee proposes to investigate further with media organizations, particularly if televising is agreed.

19. If approved, the liberalisation proposed would mean televisual broadcasting could be introduced.
20. The Committee recognises that allowing televising of the Assembly (even if the cameras might be small and remotely operated) is a big step. Notwithstanding that many other assemblies are now televised, introducing it could have a major impact on the dynamics of meetings.
21. It would increase openness and allow greater public engagement with the political process by adding literally “a human face” to the proceedings. However, Members would need to be aware that they would be subject to almost constant scrutiny.
22. Public demand for televising the States is not known. However, should the States agree, the local media are keen to consider further whether to offer the service, subject to full details of how it would work and the cost / benefit implications.
23. In addition to the limitations set out above, if a broadcaster wished to televise the States then there are several practical issues which would need to be considered - for example, where any camera/s would be sited, whether they would be fixed or mobile, whether additional lighting would be required, minimising any possible loss of space in the public gallery, and heritage approval.
24. If the States resolve that their proceedings should be televised, the Committee also seeks delegated authority to liaise with any broadcaster which makes an application, after liaising with the Presiding Officer, and to draw up a contract setting out the exact conditions which would apply. In order to maintain the integrity and dignity of the States and their proceedings, it is intended that a number of conditions would apply to the televising of the States. The contract would need to be developed in detail with the Law Officers but, in addition to the type of practical issues set out in the preceding paragraph, would include the following areas:
 - who could be shown;
 - the types of camera shot which could be used;
 - what could not be shown;
 - the use made of the material; and
 - copyright.

² A “clean” feed is one without anything inserted by the broadcaster for commercial or other reasons. In order for a feed to be shared it needs to be clean.

25. For audio broadcasting the Committee would also propose that it draw up a simple contract with each organization in order to cover issues such as those outlined above. The contract would need to be developed in detail with the Law Officers but would include terms and conditions along the following lines:
 - accessibility to broadcasts;
 - provisions relating to the use of equipment;
 - sharing of the feed; and
 - copyright.
26. It is important to note that neither type of contract is intended to be used as a means of censoring or restricting the broadcasting of the proceedings of the States.
27. Instead, the contracts will simply set out the “rules of engagement”. These types of controls should ensure that the proceedings of the States are broadcast with the minimum of disruption.
28. Whilst the Committee is proposing removing virtually all restrictions on the broadcasting of proceedings of the States, it is not proposing that any form of broadcasting of the States of Deliberation or the States of Election by whatever medium should be provided either by the States or at their expense. The Committee would also need to consult with the Royal Court concerning any applications regarding heritage listing issues.
29. As stated in paragraph 13, the audio feed as far as the media room is the responsibility of the States and the cost of any infrastructure from the feed onwards falls on the broadcasters. The States will need to keep their part of the infrastructure current and compatible with technology, which would be needed in any event, to enable broadcasters to continue to use the feed. As part of the intended discussions with broadcasters the audio feed, which is sufficient at present, will be kept under review. Should a potential provider of televised coverage come forward then it would be up to it to provide all the necessary equipment to achieve such coverage.
30. The Committee’s Principal Officer has discussed with the local media companies what coverage of the proceedings of the States they might consider offering were the present restrictions lifted. Island FM was interested but wanted to know more details of the proposals and would need to discuss them among senior management and technical experts before making a commitment. The BBC was keen to offer streaming on its website with a play again / later facility. The BBC was also content to explore what could be televised, to consider being the States’ “primary broadcaster”³ (and to provide full coverage with commentary even if it were not) and generally to fulfil its public service rôle. Channel Television was particularly interested in being able to televise important and popular debates, was also interested in streaming and possibly in being the “primary broadcaster”. The

³ For an explanation of “primary broadcaster” see paragraph 18.

Guernsey Press was enthusiastic for the proposals and was interested in considering streaming and podcasting and possibly being in a joint venture to televise proceedings. All responses were subject to further detailed consideration of specific proposals but, in principle, they were keen to take advantage of the liberalisation proposed in this policy letter. The Committee is pleased with the interest shown by the local media.

31. Although no restrictions are proposed in respect of later usage, in common with other jurisdictions, it is intended that the States of Guernsey would retain copyright over any broadcast material in case they wished to exercise their intellectual property rights at any point.

Privilege / defamation

32. Members should be aware that the matters in this policy letter raise issues regarding privilege and defamation.
33. Members of the States are afforded absolute privilege in respect of any words spoken in, or written in any report to, the States of Deliberation by virtue of section 20A of the Reform (Guernsey) Law, 1948, as amended⁴. It should be noted that the protection afforded does not extend outside this jurisdiction and therefore there is a possible risk of defamation proceedings being brought against a States' Member should a debate be streamed over the internet or broadcast in a country where absolute privilege is not recognised or afforded the same high level of protection as in Guernsey.
34. BBC Parliament already streams sessions of both Houses of Parliament. Officials there have advised that they are not aware of any such legal action having been taken in another jurisdiction against an MP.
35. The Law Officers have advised that it would be impossible to extend absolute privilege outside the jurisdiction. Members would have to rely on the remote likelihood of anyone wishing to institute proceedings against them elsewhere. In the event that proceedings were instituted, submissions could be made about the domestic effect of section 20A of the Reform Law in the hope that the foreign court would respect the absolute privilege afforded to States' Members, but there is no guarantee that such arguments would succeed.

Use of social media, internet and actions generally in meetings of the States

36. In the course of framing this policy letter the Committee received a representation from a member of the public regarding States' Members' use of social media during meetings of the States. In September 2009 (Article 11 of Billet d'État XXI of 2009) the States rejected a proposition from the Committee which would have

⁴ Absolute privilege is a complete defence to proceedings for defamation. It confers protection even when the words are uttered maliciously. It also covers any matter brought in or before the States of Deliberation by requête, amendment, sursis, question, report or other written document.

required electronic devices to be switched off during States' meetings. The vote was 21 in favour and 22 against, with two abstentions and two Members absent. Although some members of the Committee strongly disagree with that decision, the use of electronic devices during proceedings is now so prevalent that the Committee accepts it would be impossible to persuade the States to revert to the status quo ante. It also believes that it would be virtually impossible to restrict exactly what use Members make of those devices.

37. Members are reminded that although the proceedings in the States are covered by absolute privilege that does not extend to words spoken by Members elsewhere. Nor does it cover any messages transmitted from within the Royal Court Chamber. Tweets and e mails are not therefore covered by privilege.

Photography in meetings of the States

38. At the moment there is no formal prohibition on the taking of photographs in the States but there is a long-standing convention that photographs during meetings are not permitted without the prior consent of the Presiding Officer. The Committee believes that this convention should continue.
39. The Committee believes the quality of proceedings would not be enhanced in any way were Members given free rein to photograph themselves or their colleagues during debates. Rather the Committee is concerned that public perception will be harmed because members of the public have a reasonable expectation that their Deputies are concentrating on the business in hand. Members may also not be comfortable knowing that they could be photographed at any time. The proceedings of the States are not a form of entertainment and should not be treated as such.
40. This policy letter therefore proposes to formalise by Resolution the convention regarding photography. Apart from the possibility of authorised television broadcasts the only exception to the ban which the Committee is proposing is to permit photographs with the prior express permission of the Presiding Officer.

Other jurisdictions

41. The Committee has considered how the matters discussed in this policy letter are operated and regulated in all other assemblies of the constituent parts of the United Kingdom and the other Crown Dependencies. A detailed comparison grid is attached at Appendix 1 and summarised below.
42. All those assemblies broadcast at least some part of their proceedings, the proceedings of virtually all of them are streamed and many of them are also now televised. They also restrict the purposes for which broadcast material can be used afterwards. For example, its exploitation for commercial or satirical purposes is generally not permitted.

43. Most of them have restrictions to a greater or lesser extent on the use during assembly proceedings of electronic devices, access to the internet and use of social media.
44. They all have bans on photography except with specific permission on particular occasions.

CONSULTATION / RESOURCES / NEED FOR LEGISLATION

45. As set out above, the Committee has obtained information about other assemblies in the British Isles and spoken to the local media about what they might wish to broadcast if the present restrictions were removed within the Bailiwick.
46. The Bailiff has been consulted and has advised that he has no comments on the proposals.
47. The Law Officers have also been consulted and can see no reason in law for the States not to approve the proposals contained herein. They have also advised that the content of streaming and listen-again services would be covered by privilege.
48. As noted above, the Jurats and douzaines were consulted previously by the Home Department in relation to the liberalisation of the broadcasting rules for the States of Election. They expressed no opposition to the proposals at that stage although the Committee acknowledges that these proposals represent a greater degree of liberalisation than was outlined in the previous consultation exercise. The Jurats, douzaines and rectors who are in the States of Election have therefore been consulted about televising the States of Election. The Jurats raised no objections to meetings of the States of Election being televised under the conditions which the Committee is proposing. The Rectors actively supported televising the States of Election. Out of the douzaines which responded, those of the parishes of St Martin and St Andrew agreed that the proceedings of the States of Election should be televised. The douzaines of the parishes of St Saviour, St Peter Port, St Pierre du Bois and Torteval had no specific objections to the proposals. The douzaine of the Castel parish felt that the States of Election should be subject to the same media coverage as that determined for the States of Deliberation. The majority of the douzaine of St Sampson's parish who expressed a view opposed the proposals and also had concerns about the effect it might have on the conduct in the States of Deliberation. By a majority of one the douzeniers of the Vale parish opposed televisual coverage. Several douzaines were concerned at the possible cost implications to the States of the proposals. In that respect it should be noted that the Committee's proposals would not result in any expense being incurred by the States. On balance, this consultation confirms the Committee's belief that the States of Election should be treated in the same way as the States of Deliberation.

Resources

49. The Committee does not propose that the States meet the costs of implementing any changes to the method of broadcasting States' meetings which arise out of this policy letter.

Legislation

50. The changes proposed in this policy letter do not require any legislation.

RECOMMENDATIONS

51. The States' Assembly & Constitution Committee recommends the States to resolve:
- a. To rescind Resolution 1 on Article XVIII of Billet d'État No II of 1983 made on the 27th January, 1983;
 - b. That any media operation, wherever based, shall be permitted, on application and subject to the terms and conditions of a licence, to broadcast live sound transmissions and recorded extracts thereof of any public proceedings of the States of Deliberation and of the States of Election by whatever medium it chooses;
 - c. To allow the streaming of the proceedings of the States of Deliberation and the States of Election over the internet;
 - d. To allow any media operation, wherever based, to broadcast live television pictures and recorded extracts thereof of any public proceedings of the States of Deliberation and of the States of Election, subject to the terms and conditions of any contract agreed by the States' Assembly & Constitution Committee acting for and on behalf of the States;
 - e. That, with the exception of authorised television broadcasts, photography, whether still or moving images, shall not be permitted at any time within the States of Deliberation or States of Election except with the express prior permission of the Presiding Officer on each occasion.

Yours faithfully,

M J Fallaize
Chairman

The other Members of the States' Assembly & Constitution Committee are:

R Conder (Vice-Chairman)

E G Bebb

A H Adam

P A Harwood

Comparison with other British Isles Assemblies

Broadcasting of debates, use of social media, photography

Assembly	Jersey	Isle of Man	House of Commons	House of Lords	Northern Ire Assembly	Wales	Scotland
Broadcasting							
<i>Are proceedings broadcast?</i>	Yes	Some parts of Tynwald, not others	Yes	Yes Same rules as Commons	Yes	Yes	Yes
<i>Televisual also?</i>	Audio only	No Webcam from Tynwald from Jan 14	Yes	Yes	Yes	Yes (except for some external cttee meets)	Yes
<i>Is output streamed?</i>	No, but has been considered	Yes, And cttees	Yes, & on demand And Select Cttees	Yes, & on demand And Select Cttees	Yes	Yes, Chamber & all Cttee rooms & archived	Yes, Chamber & all Cttee rooms & archived
<i>Who is broadcaster?</i>	BBC Radio Jersey	Manx Radio (public service)	House for Streaming, BBC Parliament for BBC online & broadcast	House for Streaming, BBC Parliament for BBC online & broadcast	3 rd party	3 rd party And available to others also	Scottish Parliament staff
<i>Could anyone else do it?</i>	Could be put to tender	Probably Rebroadcasting by anyone	Yes, no restriction on access feeds available	Yes, no restriction on access feeds available	Could be put to tender	See above. Others' cameras only allowed on special occasions / for limited time	Yes, was originally contracted out

<i>Rules / guidance about what can be covered?</i>	Sound from proceedings only	No	Yes	Yes	Yes	Yes	Yes
<i>Rules / guidance on camera angles etc</i>	n/a	n/a	Yes	Yes	Yes	Yes	Yes, governed
<i>Censored?</i>	No, in camera debates not broadcast	No	No, unless disruption	No, unless disruption	No, but procedure re disorder	No, but procedure re disorder	No, live
<i>Controls on later use of material?</i>	No	No	Yes, improper or commercial use banned	Yes, improper or commercial use banned	Yes, rules	Yes, cannot be used for satire / manipulated	Yes, improper or commercial use banned
<i>Copyright?</i>		No	Yes	Yes	Yes	Yes	?

Electronic Devices							
<i>Can devices be used in Chamber?</i>	Yes	Yes	Yes, if handheld	Yes, if used with discretion	Yes, since May 2012	All Members have desktop PC for e mail, internet, agenda papers	Some
<i>All or which?</i>	All		Mainly tablets & blackberries, small laptops accepted	Not laptops Mainly Blackberries & tablets	Blackberries & tablets only	Laptops and tablets at Chairman's discretion. No mobiles	Not mobiles
<i>Wifi in Chamber?</i>	Yes	Yes, in all 3		Yes			
<i>Usage restricted?</i>	Device cannot disturb proceedings, in silent mode	<u>Tynwald Court</u> – yes <u>House of Keys</u> & <u>Legislative Council</u> – no	Need for decorum & intended just for dealing with messages	No, if used with discretion	Yes, silent, cannot listen to voicemails		Yes, social media & general internet usage banned

<i>If so, to what?</i>	See above, & visible from public gallery	<u>Tynwald Court</u> – business of Court only		-	Cannot disrupt proceedings or decorum		tablets only for purposes of delivering speeches
<i>If so, how policed?</i>	£10 fine to charity if a device is heard	By peer pressure	By Speaker, any abuse would be drawn to his attention by Clerk	Informally by Whips			

Social media							
<i>Can social media be accessed?</i>	Yes	Yes	Yes. Members also tweet	Yes	Yes	No	
<i>Rules / guidance on usage?</i>	No	Tweets not covered by privilege	Nothing detailed	Yes – silent, used with discretion		n/a	
Photography							
<i>Still photos during sittings?</i>	No, except with express permission, usually at start for library pics	No, except with special permission	Only on special occasions with permission of Speaker	No, except with permission of Black Rod	Not by Members	Yes, by official photographer	
<i>Video clips during sittings?</i>	No	No	Can only be taken from recording	Can only be taken from recording	Not by Members	No Only by broadcasting unit	

<i>Any controls on taking?</i>	See above	Prohibition in Rules / ban on public	See above	See above	Yes		n/a
<i>Any controls on later usage?</i>	n/a		Yes, improper or commercial use banned	Yes, improper or commercial use banned	Yes, copyright kept & improper usage banned		n/a

The States are asked to decide:-

XVI.- Whether, after consideration of the Report dated 30th May, 2014, of the States Assembly and Constitution Committee, they are of the opinion:-

1. To rescind Resolution 1 on Article XVIII of Billet d'État No II of 1983 made on the 27th January, 1983.
2. That any media operation, wherever based, shall be permitted, on application and subject to the terms and conditions of a licence, to broadcast live sound transmissions and recorded extracts thereof of any public proceedings of the States of Deliberation and of the States of Election by whatever medium it chooses.
3. To allow the streaming of the proceedings of the States of Deliberation and the States of Election over the internet.
4. To allow any media operation, wherever based, to broadcast live television pictures and recorded extracts thereof of any public proceedings of the States of Deliberation and of the States of Election, subject to the terms and conditions of any contract agreed by the States' Assembly and Constitution Committee acting for and on behalf of the States.
5. That, with the exception of authorised television broadcasts, photography, whether still or moving images, shall not be permitted at any time within the States of Deliberation or States of Election except with the express prior permission of the Presiding Officer on each occasion.

REQUÊTE**ISLAND WIDE VOTING**

1. On the 28th March 2014 the States resolved as follows concerning the Island Wide Voting Requête as published in Article 6 of Billet d'État No. V dated 14th February 2014 : –

“VI:- After consideration of the undated Requête signed by Deputy M. P. J. Hadley and six other Members of the States, to Sursis the Article to the meeting of the States of Deliberation to be held on 30th July 2014.”

2. The Requête is reprinted below as published in Article 6 of the Billet d'État No. V dated 14th February 2014.

(NB The comments of the Treasury and Resources Department and Policy Council that appear before the propositions have not been amended since their publication in Article 6 of Billet d'État No. V dated 14th February 2014 and the subsequent Sursis.)

REQUÊTE

ISLAND WIDE VOTING

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

1. The requerants are proposing the introduction of Island-wide voting because the vast majority of the decisions taken by the States of Deliberation relate to Island, as opposed to parochial, issues. Consequently it is considered that the electorate should be able to participate in the election of all States Members in a single election. This, in turn, will render States Members accountable to all Island residents and not just those in their electoral district. This method of election would afford the widest choice possible – every elector, regardless of where he or she resides, would be free to choose from the entire list of candidates. Electors would have the same number of votes as there are deputies' seats, although trends in previous elections indicate that most voters would probably use fewer votes than the maximum permitted.
2. The number of candidates in the 2004, 2008 & 2012 General Elections were 82, 88 and 79 respectively. Whilst candidates themselves do not need to reside in the electoral district in which they seek election (all but three currently do so) they can be proposed and seconded only by persons inscribed on the district's electoral roll. The requerants believe that Island-wide voting would stimulate renewed interest in elections as many electors currently perceive that, as they can presently vote for just one-seventh of the total number of States Members, their vote has only a marginal effect on the overall composition of the States of Deliberation.
3. Public consultation carried out by the States Assembly and Constitution Committee in 2010 indicated that a significant majority of the general public believed that Island-wide voting should be introduced.
4. In the 2012 General Election many of the people of Guernsey again expressed the desire for Island wide voting. While in some electoral districts there were many candidates, in others it is considered there was not a sufficient number to give the electorate a real choice. Some of the people of Guernsey expressed upset that they could not vote for favoured candidates who stood outside their electoral district and conversely could not vote against candidates that they did not wish to see elected. Members of the States of Deliberation can be and are asked to act for and on behalf of all of the people of Guernsey and not just those who elected them.
5. Island-wide voting would require electors to read numerous manifestos. Some electors may find this a daunting task; others will consider this perfectly acceptable in order to be able to vote for all Members of the States. As an example, if there were 85 candidates and SACC proposed a restricted manifesto to only 700 words that would be equivalent to reading approximately 85 pages of print. Electors would be able to cast their votes at any polling station within the parish in which they reside, as was the case in the 1994 and 1997 Island-wide elections.
6. The States Assembly and Constitution Committee are asked to give consideration as to how manifestos will be distributed bearing in mind manifestos are the primary means available to candidates to communicate their views to the electorate. Manifestos would assume an even greater importance in Island-wide elections where it would be almost impossible for every candidate to visit each elector. In respect of the Island-wide elections held in 1994 and 1997, candidates' manifestos were published in a free newspaper distributed as a supplement to the Guernsey Evening Press and Star. The website of the Guernsey Press and Star states that the newspaper is *"read by 8 out of 10 of the population"*. In terms of delivering manifestos this could mean that 20% of the electorate may not receive a copy. States Assembly & Constitution Committee previous report recommended that all manifestos should be delivered to each household occupied by at least one elector.
7. Whilst hundreds of electors attend hustings across the Island, other ways of conducting public interaction between the candidates and the electorate are required. One-to-one 'surgeries' were held in several electoral districts in the 2008/12 General Election and were successful. These comprised full-day or half-day events when all or most of the candidates assembled together. Electors were able to engage candidates on a one-to-one basis. This would be an appropriate means of providing for the public and candidates to interact in the context of an Island-wide election. Several such meetings could be held in large venues. It is envisaged that future candidates are likely to use the Internet and a number of candidates in the 2008/12 General Election set up comprehensive websites.

8. In all of the present electoral districts large teams of people work diligently in the counting of votes after the poll has closed. However, the present system is both labour-intensive and time-consuming. With a considerably larger number of candidates and votes to be counted the margin of error is likely to increase and would take considerably longer. The introduction of Island-wide voting therefore effectively makes it essential to employ electronic equipment to count the votes. Electronic counting is used by some UK authorities but, because the machines are used relatively infrequently, they are hired rather than purchased. Several UK companies specialise in hiring out such equipment which may include peripheral items such as special ballot boxes to ensure that ballot papers are not folded (creased ballot papers generally have to be processed manually).
9. General costs estimated in the February 2011 Billet were estimated at £40,000, electronic counting at £25,000 and the full cost of delivering a 'manifesto' package to each household occupied by at least one elector was thought to be in the region of £19,000. The overall cost, therefore, for a single Island-wide election held every four years with manifestos delivered was estimated to be £84,000. In addition, extra polling booths may be required and the cost of these could be in the region of £7,500, but this would be a one-off cost.
10. The signatories acknowledge that the size of some of the current polling stations will be inadequate in some parishes and they may need to consider using other premises such as church halls, other community halls and school halls (the latter are used as polling stations in the UK and France).
11. A reduction in the number of Members of the States would have no adverse consequences on this method of election. However, a reduction in the number of seats does not necessarily mean a reduction in the number of candidates.

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

- 1) To agree that with effect from the 2016 General Election, all deputies shall be elected on an island-wide basis and all voters shall have the same number of votes as there are deputies' seats,
- 2) To direct the States Assembly and Constitution Committee to report to the States as expeditiously as possible with the changes necessary, including changes to legislation, to give effect to Proposition 1.

Mike Hadley

Lynne Trott

Mary Lowe

Leslie Queripel

Dave Jones

Deputy M. P. J. Hadley

Deputy M. M. Lowe

Deputy D. B. Jones

Deputy B. J. E. Paint

Deputy L. S. Trott

Deputy L. C. Queripel

Deputy G. M. Collins

Bang Paint

G. M. Collins

(NB In accordance with Rule 17 (2) of the States Rules of Procedure of the States of Deliberation, the Policy Council has sought the views of all Departments and Committees appearing to have a particular interest in the subject matter of the Requête. The subject matter of the Requête has also necessitated consultation with the Douzaines and the Guernsey Deanery.

The Douzaines have responded as follows:

ST SAVIOURS

“Thank you for your letters dated 8th and 9th January 2014 seeking the opinion of the St Saviour’s Douzaine concerning the matter of Island Wide Voting.

The Douzaine is disappointed that this matter will be discussed without the Policy Council engaging in proper consultation with the Parish Douzaines. We understand that this is because those Deputies laying the Requête have refused to allow adequate time for this process to take place, but this cannot be in line with the Principles of Good Governance. All Deputies are fully aware that parish Douzaines meet on the Monday prior to a State’s meeting and one might have thought that the Requerants would have allowed time for Douzaines to fully debate the matter.

The Douzaine is also disappointed that this matter has to be debated again by the States without the benefit of a full review being undertaken by the States Assembly and Constitution Committee. It cannot show the Island’s Government in good light to be constantly debating the same subjects without the benefit of a full review of the advantages and disadvantages of change.

Despite the fact that there has been no opportunity for a meeting the Douzaine has consulted via email and the views of Douzeniers are very similar.

The Douzaine is against the introduction of full Island Wide Voting. There are many issues that have yet to be resolved including how the hustings would be conducted, how the electorate could meet and quiz candidates and the lack of allegiance (or connection) to parishes. It is likely that smaller parishes will lose representation as they will have little influence over the preferred candidates of the larger parishes. It is also likely that the quality of candidates would diminish with some deputies being elected with many fewer votes than under the current system. It is likely that the good candidates will receive a large number of votes but that few electors will vote for the maximum number of candidates allowed, thus allowing weak candidates (and possibly some very eccentric characters) to be elected. This would not be good for Guernsey’s Government.

Many people believe that it is essential to reduce the number of Deputies. It is perceived that the current number of 45 is an impediment to decision making on critical matters. A

change that would introduce Island Wide Voting without addressing an improvement in States functions is an unnecessary diversion and should be resisted.

However, with the benefit of a full review that addresses the above issues there is merit in having some Deputies voted in by Island Wide Voting. Each parish should have at least one Deputy representation in the States and only those Deputies who have served at least one full term as a Parish Deputy should be allowed to stand for election by Island Wide Voting. Members of the Policy Council should be Deputies elected on an Island wide basis.

There are many matters to be thought through and the Requête simply does not allow for full consideration. It appears to be a populist move and should be resisted pending a full report from the States Assembly and Constitution Committee.”

ST PIERRE DU BOIS

“The overall majority response from the Douzaine of St. Pierre du Bois is to reject the Requête for the introduction of Island Wide Voting for the General Election in 2016. The haste in which it is being laid is regrettable, with little time for full consultation and no new evidence provided to show that there has been any change since the previous proposals were rejected.

Whilst one Douzenier supports the principle if the practical difficulties could be overcome, and two Douzeniers would support a split of island-wide and parish/district elected Deputies, the majority continue to hold the views expressed in the Douzaines letter to the States House Committee on 1st August 2006 rejecting the previous proposal.

Douzeniers continue to uphold the need for individual parishes and districts to be directly represented to maintain their identity, and to enable locally known candidates to put themselves forward. There is a great danger that high-profile candidates would find more favour than those only known in their own locality, whether or not they were equally or perhaps more able to serve the whole island as well as their parishes. It could well be that small parishes had no direct representation, and that the more densely populated areas were over-represented.

The inevitably large number of candidates would find it extremely difficult to connect directly with more than a very small number of electors, and electors could be overwhelmed with manifestos from candidates they would be unable to question.

It is also emphasised that Deputies already serve the whole island and do not restrict themselves to representing only their own constituents.

The time taken to complete a ballot paper with so many candidates would result in long queues of voters at Polling Stations, and electronic voting has proved unreliable in many other jurisdictions. A long list of candidates, whether listed alphabetically or otherwise,

would inevitably favour those at the top of the list and those at the lower end would be disadvantaged.

We trust that these views will be helpful and thank you for the opportunity to comment.”

ST. ANDREW’S DOUZAINE

“Administration of the proposed system

We see some logistical difficulties viz.

1. The suggestion that, in lieu of hustings, there would be ‘surgeries’ involving many of the candidates at one time. These would be very large events with the probability of many voters each wanting to talk to many candidates and this would seem to be an unrealistic suggestion. These meetings can work well but only for a limited number of candidates, such as each district has in our current system. Consequently, there remains the problem of how each candidate will be able, realistically, to engage with the voters.
2. Voting day.

The requerants are suggesting electronic counting machines. These would appear to be of two basic types, computer style terminals in the voting booths or optical character recognition (OCR) machines which are capable of reading conventional voting papers. In either case, the voters would be presented with a long list of candidates and the ability to cast up to forty-five votes. This would mean voters spending much longer in the booths, even if they had come prepared with a list of their choices. Under the present system, some voters already spend a long time in the booths, obviously deciding only then who they will vote for. Thus, the rate of ‘voter throughput’ would be very slow and we are sure that large queues will develop, even with extra booths. We can also foresee problems at the times the polls close, with queues of people still to vote despite having arrived before the deadline. In St. Andrew’s, parking of so many cars would also cause us some problems.

By the next election in 2016, the parish school will no longer be functioning and we may not have use of the building. The Douzaine room is too small and can accommodate two voting booths, so we can only suggest that we would need the use of the Grammar School on voting day as being the only suitably large public building in the parish.

Should the voting machines be in the booths, we envisage a great deal of help in using them being requested yet, understandably, the law prevents any help to voting being given by the officials. This too will slow the system considerably. If

conventional voting papers are used, we think that there will still be many queries about how to complete them, if the current system is anything to go by.

If voting papers are the chosen method, OCR machines would have to be used for counting as our present manual system could not cope with so many options.

Whichever type of voting was to be used, the sums quoted would seem to be much higher than the present, largely voluntary, system. Furthermore, are the amounts quoted realistic and might the final cost be somewhat greater?

Island-wide Voting as a concept

Firstly, we consider that ten days is not sufficient time to consider or discuss this proposition. We do appreciate that the Policy Council's hands were tied by the intransigence of the requerants and the law governing these matters. However, we would question the real motives behind the pressure for island-wide voting and fail to see how anything will be achieved by not allowing a more reasonable amount of time for this very important issue to be thoroughly considered.

The consensus in St. Andrew's Douzaine is that Island-wide Voting, as proposed, is undesirable. The following points have been made by various Douzeniers and are in no particular order:

1. With 45 members, island-wide Voting is totally unmanageable.
2. It would lead to the further demise of Parish involvement, particularly within the smaller parishes. It would be a further erosion of our parish pride which contributes so importantly to the Island's unique culture and history. The smaller parishes could potentially find themselves without any 'local' representation and so, when local issues arise such as the recent school closure debate, we would, in effect, be on our own. Any dilution of parish representation will only lead to less interest in parish life and involvement and the Douzaine's voice being less likely to be heard
3. The voting slips will be like a football coupon to start with, which will inevitably lead to some members getting in with a very low vote. To elaborate, out of a probable 90 or so candidates there might be, say, 25 who were very popular and who would garner many votes. Individual voters are very unlikely to use all 45 votes and the combined effects of tactical voting, limited interest and lethargy could easily result in many people only using 20 or so of their votes. Most of these would be cast for the 'popular pool'. Other candidates would attract far fewer votes, with many only receiving the occasional vote, often from the few people who are determined to use all 45 and who are not thinking critically about their last 20 or so votes. This would result in, say, the lower third i.e. 15 'successful' candidates being elected with a very low number, perhaps just in three figures or even less, despite it

being an Island-wide vote. They would have been elected with far fewer votes than in our current system based on limited electoral districts and would represent a lottery at the lower end, unlikely to produce the best outcome. Indeed, there might be several unsuccessful but potentially good candidates, ousted more by chance than judgement, merely because they didn't happen to be in the 'most popular group'. The past elections of conseillers by island-wide vote have shown us that this can and does happen. This would not lead to a better States or good government.

4. With so many choices, it seems likely that the numbers of spoilt papers due to wrong entries and subsequent attempts at correction by the voters will increase considerably.
5. What other successful democracy has a system similar to that being proposed? We already have **several** votes each every four years. Were we in the UK, we would have a **single** vote every five years. Proponents of island-wide voting might give the example of the USA's Presidential elections, carried out on a national basis. However, that is essentially a two horse race not a forty-five horse event and cannot be compared in any way. Australia has a large field of maybe 50/60 when voting for senators but this too is not comparable. Well-defined political parties are involved and they use a 'preferential vote' system, allowing 'above the line' and 'below the line' voting. As most Australian voters use the former, they are tacitly accepting the pre-nominated sequence which each party has put forward. This is clearly unworkable and inappropriate for our non-party system.
6. An island-wide system would result in a 'lost voice' of the rural parishes, a quick calculation on the number of households shows where the weight of voting would be. Clearly, turnout and household occupancy varies but this is a reasonable guide. The big 4 parishes would decide the result; the rest need not bother voting!

Parish	Households	%
St Peter Port	8,459	32
Vale	3,836	15
St. Sampson's	3,830	15
Castel	3,476	13
St. Martin's	2,598	10
St Saviour's	1,127	4
St. Andrew's	928	4
St. Peter's	884	3
Forest	631	2
Torteval	403	2

Is it too cynical to note which parishes the requesters represent?

While it is true that, historically, turnout is higher in the rural parishes it would make little difference to the total vote. There might be an increase in voters but there is a good chance that voting numbers will fall as traditional voters will possibly be totally disenchanted by the end of this term and many non-voters will see no more reason than now to vote as they seem to hold politicians and the States in low esteem. The extra effort required by the voters in an island-wide system might even discourage them from voting at all. There is a general apathy amongst the electorate at the best of times.

7. Whilst the Harwood review and subsequent reforms were a good step forward at the time, we are in need of a further review of the States and probably a reduction in number of members, before we go down the road of island-wide voting. At this stage maybe we could bring back deputies directly involved in individual Parishes rather than voting districts, bringing back some of the pride in the areas we live and restoring some of Guernsey history. It would also mean that he/she/they would be more accountable to the Parish in all.
8. Once you have a reduction in members we might look at island-wide voting in stages i.e. half the assembly would be for 2/3 years and the other 4/6 years to start with, then every 2/3 years which would give stability within the core of the States. This was the procedure when conseillers were elected island-wide.
9. It is true that, even with the current system, it is possible to lose good candidates from one district while gaining less useful deputies from another one. Also, as recent debates have shown, elected deputies do not always represent the views of the parishioners who elected them.”

ST MARTIN’S

“Whilst grateful for the opportunity to respond to the Requête, given the very important role of the Douzaines in the election process, may we firstly protest at the time span we have been given to respond to this important matter. We appreciate that this is a function of the timetable being pursued by the Deputies pushing the Requête but we regard five working days in which to consider and reply as contemptuous disregard for the Douzaines and their opinions.

As to the Requête itself the Douzaine of St. Martin are unanimously and wholeheartedly opposed. The Requête is ill-considered.

There are a number of reasons for this. The most obvious amongst them are summarised as follows;

1. We understand that a committee is currently undertaking a review of the present system of Government. We regard it sensible and necessary to wait for this review to reach its

conclusions rather than just address one issue regarding elections and the democratic process in isolation. It is our view that any element of Island wide voting is unfeasible without a whole host of other reforms including the probable reduction of the number of deputies and staggered elections. To pursue the Requête ahead of that Committee finalising its work is inappropriate and premature.

2. We consider that with some 80 candidates producing 80 manifestos and with no or very little opportunity to meet and talk to candidates the proposed system would be completely unworkable. It is wholly unrealistic to expect voters to read the manifestos of all the candidates and then decide on their 45 preferred candidates and then recall the names of their preferred 45 candidates come the election itself. The time taken for one voter to mark his or her 45 choices will inevitably slow down the process and we were very aware at the last election that some of the electorate were already frustrated by the time the process took.

3. The hustings form an important part of the election process affording electors the ability to see how the candidates respond under a degree of pressure and under the glare of public scrutiny. The hustings also afford the public with the opportunity to compare the performance of different candidates. With Island wide voting hustings would become impractical and the voters will be left having only to judge who writes the best manifesto - or alternatively who has had the best manifesto written for them.

4. Under the current system, the Douzaines tend to have a good working relationship with their Deputies. This is certainly the case in this Parish. That relationship would cease with Island wide voting.

5. Constituents similarly know that if they have an issue where they feel they require political support the Deputies for their electoral district, who have been elected to represent the people of that district, are their first port of call. Often they will have met their Deputies. Many candidates try and visit as many of the voters in their district ahead of the election as possible. This would not be possible with Island wide voting. With Island wide voting, in the manner proposed by the Requête, no one or more deputies will have particular responsibility for representing the residents of any particular district making it easier for deputies to choose to wash their hands of such a constituent. We believe that island wide voting in the manner proposed would only serve to make the democratic process even more remote from Islanders.

6. The reasons cited in the Requête for introducing Island wide voting do not justify the proposal. It is very common in any representative democracy that not every eligible voter is able to select every representative. It is not possible for voters in the United Kingdom who oppose or support David Cameron to vote for or against him unless they are registered voters in Witney. The same applies to regional and even more local elections and is not confined to the United Kingdom. That the States debates matters of island concern does not mean that every representative must be elected on an island wide basis. This is a flawed proposition as it would require, for example, every citizen of the European Union to be able

to vote for every member of the European Parliament. Such is patently unworkable - as are the proposals outlined in the Requête.

Finally we note the names of the Deputies who have signed the Requête. However, we believe that Deputy Dave Jones was not one of the signatories, even though you have shown him to be. Perhaps you would comment on this.”

ST PETER PORT CONSTABLES

“Thank you for your letters dated the 8th and 9th of January 2014 regarding the Requête brought by Deputy Hadley to introduce Island wide voting from the 2016 General Election.

Our initial concern on receipt of your second letter was the lack of proper consultation time that has been given to the Douzaines in order to properly discuss this important matter, though we do understand that the Rules of Procedure have been implemented in order to bring the Requête forward. Our Douzaine, who next meet on the 27th of January, have had no opportunity to discuss the implications of the Requête in an open forum.

That being said, whilst we may agree with the basic principle of Island wide voting, we have to examine in detail the “mechanics” of providing the voting facilities, operation of electronic vote counting equipment (if used) and other matters such as the dissemination of manifestos and provision of hustings for such a large number of candidates. The following concerns and suggestions are put forward, but no doubt with a more realistic consultation period and proper discussion with the full Douzaine, this list could be modified and elaborated upon:

- Manifestos would need to be centralised into one publication as suggested in the Requête, but may still prove to be too much information for many of the electorate to absorb.
- Posting of billboards will have to be restricted in some way.
- It would not be feasible to “doorstep” the electorate effectively, so the personal contact would be lost.
- Hustings meetings could not be conducted in the time-honoured way.
- The use of traditional ballot papers may not be fair, for example, candidates names arranged alphabetically may favour the candidates on the first page. The entering of so many votes on a ballot paper may result in considerably more spoilt papers.
- Whilst this may already be a factor in the present system, island wide voting may favour the high profile candidates, be they sitting Deputies or well known local “celebrities”. This could lead to a much greater disparity between the number of votes awarded to known and hitherto unknown candidates.
- The States of Deliberation could be streamlined by reducing the number of Deputies at the same time as the introduction of island wide voting.

- A two stage system could be introduced with a first round of “Parish Primaries” held to prequalify and reduce the number of candidates which would then go forward to a second stage island wide poll.

We must point out that the views expressed above are not necessarily the views of St Peter Port Douzaine. Our Douzainers have been emailed all the relevant information and asked to send comments in direct to the email address provided. This is not, of course our preferred means of responding to important issues such as this, but the Douzaine has been afforded little time to discuss internally or consult with our St Peter Port Deputies.

The following comments have been received by individual St Peter Port Douzainers:

“Island-Wide-Voting would never work while we are given 6 or 7 votes each.

The only way in which it will work is for each Elector to be given one vote and one vote only. He/Her may have to select one person to vote for from 40 or more Candidates but that would not be a problem. The Candidates, Island-Wide, with most votes are elected. No problem.

After all in the UK The Isle of Wight has a much bigger population yet only has one place at Westminster!”

“The St. Peter Port Constables have sent us a copy of their letter to you regarding island wide voting.

I endorse the points they have made and am in favour of island wide voting as the decisions of all States members affect the island as a whole.

A change would indicate a clear distinction between whole-island representation by States members and the local parish voice articulated by the Douzaines.

Wearing my radio presenter’s hat on the several occasions when I have brought up the topic on my Island FM show the support for island wide voting has been overwhelming.

Clearly a modus operandi of how to do it needs to be found. A slimmed down States with parish primaries could, as the Constables suggest, provide a workable solution.”

“Fully support Island Wide Voting”

“I have received the details of the Requête in regards to Island-wide voting and find it quite staggering that this is being rushed through with no time for Douzaines to even discuss it at the next Douzaine meeting, which to me suggests certain contempt and disdain for the role of parish officials.

While it is interesting to note the claim in point 4 that ‘many of the people of Guernsey expressed the desire for island-wide voting’, I believe a vast number of islanders would actually be in favour of reducing the number of deputies.

For my part, and that of my family, we have no desire for island-wide voting.”

VALE DOUZAINE

“The Vale Douzaine held a meeting last night to discuss this item and there was a majority vote against Island Wide Voting by 9 – 7.”

CASTEL DOUZAINE

“The consensus view of the Castel Douzaine, regarding the Requête for island wide voting, is that they do not support this Requête in its present form.”

ST SAMPSON

“The Constables and Douzaine of the Parish of St Sampson have the following comments to make on the subject of Island Wide Voting.

Whilst the idea of island wide voting appeals to many because Deputies have an island-wide responsibility, there was concern over the practicalities of how such a voting system would actually be carried out.

In particular, concern was expressed at the number of manifestos that electors would have to read in order to select their 45 candidates. This number of manifestos could easily exceed 80 and even be as many as 100.

Hustings meetings could also be difficult to arrange if electors were to be given the opportunity to hear responses to various questions from all of the candidates at the same time and venue.

Concern was also expressed at the time it would take for each elector to physically cast his or her votes in the voting booth. Also what would happen if there was a rush of electors towards the end of the voting period and it was not possible for everyone to cast his or her votes before the official closing time?

The time taken to physically count the votes cast in each electoral district – with the great variety of voting patterns that might arise from having up to 45 votes on a voting slip.

One other item raised was what would happen if the votes cast in each voting station resulted in candidates towards the 45th position being more than 2% apart but were within

2% of each other when all of the votes were collated. Would this require recounts in each and every voting station? And if so, how long might this take?

A question was also raised about what might happen if an island-wide election resulted in one of the current electoral districts not being represented by a Deputy residing in or representing a particular parish/electoral district.

No overall decision was reached, rather the Constables and Douzeniers of St Sampson wish to highlight the above issues for inclusion in the debate when the requisite comes before the States of Deliberation.”

TORTEVAL

“The Douzaine believes that, should Island Wide Voting be introduced in future, Torteval will be able to facilitate the initiative in terms of making additional facilities and infrastructure available to its electorate in support of the new election format.”

Torteval Douzaine additionally asked individual Douzeniers to respond directly, should they have any particular comments. The following response was received:

“In response to your request for feedback on the issue of island wide voting I should like to provide the following comments as an individual member of the Torteval Douzaine:-

- It is not possible to read more manifestoes than the existing system presents and to give due consideration to the candidates.
 - o In consequence Island Wide voting would likely result in more power for determining electoral success being transferred to the media and how they present candidates (not hard to see why this would be popular with the press)
 - o The confusion engendered by the number of candidates would likely result in a party based system – a less democratic system than we currently enjoy
 - o This would likely result in less local representation
- Island wide voting would not address the issue that the media would have us believe people wish addressed (namely that candidate x of electoral district y was elected but their views are not popular in the rest of the island). However this is misguided as the existing system ensures representation from each electoral district and hence ensures that the views of each district see representation in the States. It also does not address the fundamental cause of occasional disquiet by the voting public.

- To my mind the issue with the existing system is that the views of those elected are treated equally when electing ministerial posts irrespective of their relative popularity. In the past this has resulted in candidates elected with a margin of a handful of votes having disproportionate say in determining leadership roles and the direction of government policy – something which has proved unpopular with the voting public. To give the views of the electorate greater prominence the vote each deputy has for ministerial selection should take into consideration the votes they received when elected. Hence if an individual received 4000 votes their vote should be worth 4000 when cast to decide who should lead the states. This would result in the views of the electorate being more accurately reflected within the make up any new ministerial posts – posts which determine from day one the direction of States policy for the next four years. Once ministerial posts are selected voting would revert to one individual one vote as at present.”

FOREST DOUZAINÉ

The Forest Douzainé were unable to respond to the Policy Council’s request for comments, during the original consultation period, on the Island Wide Voting Requête within the timeline provided.

The Deanery of Guernsey has responded as follows:

THE DEANERY OF GUERNSEY

“I would like to thank Deputy Le Tocq for circulating the Consultation Papers about Island Wide Voting to the Deanery, and I apologise for missing the newly shortened dead-line. Time prevents me from too much detail, but I have been able to ask a number of people for reflection about the issue and these reflections have been included below.

While there are reasons to support a move to Island Wide Voting the following points need to be considered in making decisions about it.

Use of Church Premises For Polling

We would have no objection for approaches to use Church Halls - or indeed Churches for polling.

Philosophy

I would reflect that a move to Island Wide Voting for the States of Deliberation seems to endorse a trend in island life away from the parochial/local to the Insular contrary to previous custom and usage. This may have administrative and organisational efficacy and efficiency but is a change in direction in the philosophy of representation. In general the principles of subsidiarity ask that democratic activity is carried out at the ‘lowest’ and most

local of levels to ensure maximum participation and relevance to local life. A move to Island Wide voting would be moving away from that principle.

Volume of Election Material

The idea that manifesto and other information would run to some 85 printed pages of information for the electorate to digest in order to take part in an election in an informed way does seem both unrealistic and excessive. The current system of local voting does not demand this excessive volume and there may be more chance that the electorate will read what is issued locally whereas the Island Wide volume would not be read.

Population Inbalance

The current system of voting does ensure that the less populous parishes have equal representation in The States along with the more populous northern parishes. Because of the disproportionate distribution of Insular population a move to Island Wide Voting could have the effect of marginalisation of the other parishes outside the northern areas of Vale, St Sampson and St Peter Port. The current system ensures that the concerns and view point of the more rural communities is strongly (some would say – over strongly) represented.

New Candidates Discriminated Against

A move to Island Wide Voting could see a situation where there is a tendency to the status quo and re-election of sitting candidates which had a detrimental effect on the election of new comers and first time candidates. It is easier for a new comer candidate to be elected from the current smaller constituencies than to break into the larger and more impersonal electoral pool.”

The Environment Department, Housing Department, Social Services Department, Culture and Leisure Department and Public Services Department have advised that as the proposals did not have a direct effect on their mandate they have no comment to make. Other Departments and Committees have responded as follows:

EDUCATION DEPARTMENT

“Thank you for the opportunity to comment on the Island Wide Voting Requête.

The Department only wishes to comment on paragraph 10 of the Requête where reference is made to the need to consider other premises such as school halls. It is unclear at this stage why school halls may be required with the introduction of Island Wide Voting, but there are some practical issues that are worth highlighting.

Firstly, school premises would not be suitable as polling stations during the school days due to the disruption that would be caused to normal operations. It may also cause congestion problems at the start and end of the school day.

Secondly, if the elections were moved to weekend or school holidays in order to use school premises out of school hours the Education Department would incur additional costs for non-education purposes for which it has no allocated budget.

I trust that these observations are helpful.”

HOME DEPARTMENT

“At a meeting on 13th January 2014 the Home Department Board discussed the Requête laid by Deputy Hadley. This proposes that with effect from the 2016 General Election, all deputies be elected on an island-wide basis and directing the States Assembly and Constitution Committee report back to the States to implement this change.

The following comments are largely limited to the potential impact on the Electoral Roll and do not reflect the individual views of members regarding the merit of Island-wide voting or otherwise.

The mandate of the Home Department requires it to “*be responsible for....the Electoral Roll.*” Part IV of the Reform Law places a statutory duty upon the Registrar General of Electors (the States Chief Executive) to compile the Electoral Roll in accordance with its provisions. The Registrar General of Electors has transferred his responsibility in respect of the Electoral Roll to the Acting Chief Officer of the Home Department.

In preparation for the 2012 Elections the States agreed to the creation of a new electoral roll. This ensured the accuracy and comprehensiveness of the Roll, but did require significant staff and financial resource from the Department in order to achieve, particularly in the preceding 12 months.

In order to prepare for the 2016 Election the resources required by the Home Department will vary dependent on whether a new Roll is created or the existing Roll is used. The 2008 General Election clearly identified the problems associated with carrying over an Electoral Roll between elections. Whilst no Islanders were disenfranchised by the problems that occurred, thanks to a successful application to the Royal Court, it clearly showed that the longer a Roll remains in force, the less accurate it becomes.

The Department proposes to bring forward a Report to the States considering the advantages and disadvantages of creating a new Roll and the financial and resource implications in due course.

The Department does not consider that the introduction of Island Wide voting in 2016 would have a significant impact on its responsibility to compile the Electoral Roll. However, it is considered that there is likely to be an additional financial and resource cost should the status-quo remain in respect of a candidates ability to acquire hard copies of electoral roll in various forms. This is currently a paper based provision and the Department would strongly suggest that the relevant legislation be amended to facilitate a more electronic process should Island Wide voting be pursued.

The Department acknowledge, however, that the election process is not limited to the preparation of the Electoral Roll and based on the Department's own experiences it would caution that the level of resources necessary to support a successful Election campaign should not be underestimated.

The Department notes that the Requête considers the issue of the counting of votes and proposes the use of electronic counting equipment. The Department consider that further research and testing should be carried out to establish whether this will be an effective option and necessary for our small jurisdiction before this proposal is progressed.

Desire to implement such a change should not get in the way of ensuring all possible consequences of Island Wide voting being fully investigated to the extent that the States and electorate can be reassured that this significant change will not impact negatively on the integrity of the electoral process."

STATES REVIEW COMMITTEE

"Thank you for the letter dated 8th January 2014 inviting the States Review Committee to set out its views in respect of the Requête entitled *Island Wide Voting*, which has been submitted for debate by Deputy M P J Hadley and six other Members of the States.

As the requérants are aware, the States Review Committee will be bringing its first report to the States of Deliberation for debate in July 2014. This policy letter will be sufficiently comprehensive to allow the States to make what the Committee believes is a binary choice between organising all States' affairs within a ministerial system with all ministers bound by collective responsibility or organising all States' affairs within a substantially reformed committee system.

The Committee strongly believes that any proposals to change the system of electing people's deputies should be considered after the States have determined how the administration is to be structured with effect from 2016. Decisions about the most appropriate structure of the States are unlikely to be influenced by the electoral system whereas decisions about the electoral system could be influenced greatly by the overall structure of the States.

Should the States approve changes to structure at their July 2014 meeting, the States Review Committee will produce a second report setting out detailed proposals for reform consistent with the overall structure of the States of Guernsey to be adopted from 2016. During that second phase of review it may be that the States Assembly and Constitution Committee will regard it as necessary or desirable to propose reforms to the electoral system in the light of any changes to be made to the overall structure of the States. The Committee has discussed this matter with the States Assembly and Constitution Committee and the two committees are agreed on this point.

In conclusion, the Committee believes that it is premature for the States to resolve in March to make changes to the electoral system when in July they are to debate the overall structure of the States of Guernsey.

However, the Committee can confirm that its proposals regarding the structure of the States need not be changed should the States of Deliberation resolve to approve the prayer of the Requête.”

STATES ASSEMBLY AND CONSTITUTION COMMITTEE

“Thank you for your letter of the 8th January, 2014 seeking the views of the States Assembly and Constitution Committee on the Requête lodged by Deputy Hadley and six other Members of the States proposing that with effect from the 2016 General Election all People’s Deputies are elected in a single constituency, i.e. island- or jurisdiction-wide voting.

The Committee believes that this Requête should not be considered by the States at their March meeting. The States Review Committee is due to report to the States at the July meeting with proposals regarding possible changes to the structure and organisation of the States. The Committee therefore believes that this Requête is premature because the States should first determine their structure, including for example the optimum number of Members in any reformed structure, before deciding whether or not to change the current method of electing Members of the States.

As I stated in my response to a question from Deputy Gollop at the December States’ meeting, the Committee believes that the advantages and disadvantages of different methods of election may change depending upon any changes which the States decide to make to their structure with effect from 2016. At that time I said that the Committee hoped that any Requête regarding electoral reform would be submitted for debate after consideration of the first policy letter from the States Review Committee. The States Assembly and Constitution Committee remains of that view.

In the very limited time available the Committee has not been able to give full consideration to this matter. On 8th January the Committee was given until 10th February to comment. However, the following day the Committee was advised that any letter of

comment which the Committee wished to submit must be submitted by 17th January. The Committee will therefore provide its substantive views on the Requête during the debate.

Nevertheless, in order to assist Members of the States in their consideration of this matter, the Committee has decided to attach for publication with this letter of comment the Committee's last policy letter regarding the possibility of turning the island into a single electoral constituency, the minority report attached to it and the Resolution thereon as they set out extensively the various options for jurisdiction-wide voting and the issues associated with each option (Article 7 of Billet III of 2011) and also an example, which, per the 2009 report, the Committee requests is published in A3 format, of the kind of ballot slip (using the names of all the candidates in the 2008 General Election of People's Deputies) which would be necessary to give effect to the proposals of the requérants.")

(NB The States Assembly and Constitution Committee's States Report Article 7 of Billet III of 2011 is appended overleaf.)

STATES ASSEMBLY AND CONSTITUTION COMMITTEE

ISLAND-WIDE VOTING – 3rd REPORT

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

17th December 2010

Dear Sir

EXECUTIVE SUMMARY

1. In this report the States Assembly and Constitution Committee –
 - (a) sets out a detailed analysis of all the options for the introduction of Island-wide voting and ancillary issues as directed by the States on 1st July 2010;
 - (b) recommends the States to agree that 45 People's Deputies shall be elected in a single Island-wide election with effect from the General Election to be held in 2012 and that the manifestos of candidates in Island-wide elections shall be distributed at the expense of the States by means of an election publication, the cost of which will be borne by the candidates.

INTRODUCTION

2. On the 27th April 2006 the States resolved¹ –

“5B To direct the House Committee to undertake a comprehensive review of all practicable methods of introducing Island-wide voting for the office of People's Deputy, and to report back to the States in sufficient time to enable the introduction of such a system with effect from the General Election to be held in 2012.”.

3. On the 28th January 2009 the States considered the States Assembly and Constitution Committee's first report² on Island-wide voting which had been submitted pursuant to Rule 12(4) of the Rules of Procedure, and resolved –

¹ Billet d'État VII of 2006, p. 505

² Billet d'État I of 2009, p.1

- “1. *To note the Report.*
2. *To direct the States Assembly and Constitution Committee to report further to the States with detailed proposals regarding the election and constitution of the States of Deliberation which will take effect from the General Election to be held in 2012.”.*
4. On the 1st July 2010 the States, prior to considering the States Assembly and Constitution Committee’s second report³ on Island-wide voting, resolved –

“To sursis the Article, and direct the States Assembly and Constitution Committee to report back to the States of Deliberation as soon as practicable with a broader report containing –

- (a) *detailed consideration of the options for reducing the number of People’s Deputies in the States of Deliberation from 45 to*
- (i) *40,*
- (ii) *35, and*
- (iii) *any other number of Deputies the Committee considers would be appropriate;*
- (b) *a detailed analysis of all the options for the introduction of Island-wide voting, to include not only the options set out in the Committee’s 2nd Report but also those that have been introduced through amendments to the Propositions thereon that have been circulated prior to this Meeting of the States of Deliberation and any variants thereon that the Committee considers should be covered, in each case taking into account the possible modifications of the number of People’s Deputies in accordance with paragraph (a); and*
- (c) *details of all the operational and logistical issues that would arise and require amendment in respect of every option under consideration in accordance with paragraphs (a) and (b) regarding the elections for, and constitution of, the States of Deliberation which will take effect from the General Election to be held in 2012 and, where applicable, in respect of any partial election of the Members of the States of Deliberation preceding or following that General Election.”.*

³ Billet d’État XV of 2010, p.928

THE AMENDMENTS REFERRED TO IN THE SURSIS

5. Paragraph (a) of the sursis relates to two amendments, the effect of which would be to reduce the number of People's Deputies. An amendment proposed by Deputy L R Gallienne and seconded by Deputy J.Kuttelwascher sought a reduction from 45 to 35 whilst one proposed by Deputy B L Brehaut and seconded by Deputy C A Steere sought a reduction from 45 to 40.
6. The amendments referred to in paragraph (b) of the sursis are set out in the following paragraphs.
7. Proposed by Deputy R R Matthews and seconded by Deputy J A B Gollop –

“That with effect from June 2011:

- (a) *the Reform (Guernsey) Law, 1948, as amended, be further amended to provide:*
 - (i) *that there shall be 15 Deputies elected Island-wide, initially for a three-year term, and thereafter for successive four-year terms;*
 - (ii) *that these Island-wide Deputies shall be elected by the votes of the electors of the Islands of Guernsey and Alderney;*
 - (iii) *that a candidate for the office of Island-wide Deputy must be nominated by fourteen persons, being two persons on the Electoral Roll from each of the seven existing electoral districts in Guernsey; and*
 - (iv) *on a transitional basis, that the States of Deliberation shall, if necessary, include an increased number of People's Deputies so as to accommodate any Deputies elected in the June 2011 election who are not already sitting People's Deputies; and*
- (b) *the Rules of Procedure of the States of Deliberation and the States Resolutions governing the Constitution and Operation of States Departments and Committees be amended to provide:*
 - (i) *that eligibility to hold the office of Chief Minister shall be restricted to an Island-wide Deputy; and*
 - (ii) *that the Chief Minister and the Ministers of Departments in office immediately prior to the election in June 2011 shall be deemed to have tendered their resignations from*

office to take effect from an appropriate date following the election of the 15 Island-wide Deputies.

To direct the States Assembly and Constitution Committee to report to the States as soon as practicable, and in any event before the end of 2010, setting out detailed proposals relating to the allocation of the 30 seats to be distributed across the electoral districts at the General Election to be held in 2012 and the procedure at, and conduct of, the elections to be held from June 2011.”.

8. Proposed by Deputy J Kuttelwascher and seconded by Deputy S J McManus –

“That the Reform (Guernsey) Law, 1948, as amended, be further amended to provide that, with effect from the General Election to be held in 2012, there be:

- (i) a Chief Minister elected by Island-wide voting from persons eligible to hold the office of Chief Minister in accordance with rule 20(2A) of the Rules of Procedure of the States of Deliberation;*
- (ii) 10 Deputies elected on the same day by Island-wide voting; and*
- (iii) 34 Deputies elected on the same day by the votes of electors in each of the current electoral districts.*

To direct the States Assembly and Constitution Committee to report to the States as soon as practicable, and in any event before the end of 2010, setting out detailed proposals relating to the allocation of the 34 seats to be distributed across the electoral districts and the procedure at, and conduct of, the elections comprising the General Election to be held with effect from 2012.”.

9. Proposed by Deputy J Kuttelwascher and seconded by Deputy S J McManus –

“That the Reform (Guernsey) Law, 1948, as amended, be further amended to provide that, with effect from the General Election to be held in 2012, there be 11 Island Deputies elected Island-wide for a four-year term and 34 Deputies elected on the same day by the votes of electors in each of the current electoral districts for a four-year term, provided that when elections for both offices occur on the same day candidates may seek election to one such office only.

To direct the States Assembly and Constitution Committee to report to the States as soon as practicable, and in any event before the end of 2010, setting out detailed proposals relating to the allocation of the 34 seats to be distributed across the electoral districts and the procedure at,

and conduct of, the elections comprising the General Election to be held with effect from 2012.”.

10. Proposed by Deputy M P J Hadley and seconded by Deputy J A B Gollop –

“To direct the States Assembly and Constitution Committee to report to the States as soon as practicable setting out detailed proposals for the introduction with effect from the 2012 General Election of voting by way of the Single Transferable Vote system.”.

THE OPTIONS SET OUT IN THE COMMITTEE’S SECOND REPORT

11. The propositions set out at the end of the Committee’s Second Report were as follows:

1. 45 Deputies elected Island-wide for a four-year term;

or

2. 45 Deputies elected Island-wide for a four-year term but with elections held every two years for half the number of seats and subject to transitional arrangements;

or

3. 10 Parish Deputies, one elected from each parish for a four-year term with 35 Island Deputies elected Island-wide for a four-year term, provided that when elections for both offices occur on the same day candidates may seek election to one such office only;

and

4. that in the Island-wide election each elector shall be entitled to vote for a maximum of 10 candidates only.

ISSUES RAISED SUBSEQUENT TO THE STATES DEBATE OF 1ST JULY 2010

12. Subsequent to the debate of the 1st July, 2010 the Committee has identified a small number of further issues which it believes should be addressed in this report. Such matters are referred to in this report as *“further issues”*.

IDENTIFYING THE ISSUES

13. This report will address the several issues in distinct parts as follows:

Part I - Number of Members in the States of Deliberation:

- (i) Reduce from 45 to 35 *(Gallienne amendment)*

- (ii) Reduce from 45 to 40 *(Brehaut amendment)*
- (iii) Reduce from 45 to some other number *(Gillson sursis)*

Part II - Election of Members of the States of Deliberation:

- (i) 45 Deputies elected in seven electoral districts *(the status quo)*
- (ii) 45 Island-wide Deputies elected in a single election
(2nd Report propositions)
- (iii) 45 Island-wide Deputies elected half every two years
(2nd Report propositions)
- (iv) 35 Island-wide Deputies elected in a single election with 10
Parish Deputies elected the same day *(2nd Report propositions)*
- (v) Restriction on the number of votes which electors may cast
(2nd Report propositions)
- (vi) Chief Minister elected Island-wide, 10 Island-wide Deputies and
34 District Deputies all elected the same day
(Kuttelwascher (1) amendment)
- (vii) 11 Island-wide Deputies and 34 District Deputies elected the
same day *(Kuttelwascher (2) amendment)*
- (viii) 15 Island-wide Deputies elected in June 2011 by the electorate of
Guernsey and Alderney, having been nominated by 2 persons
from each of the 7 Guernsey electoral districts and 30 District
Deputies from the existing 7 electoral districts, with the following
transitional arrangements:
 - Island-wide Deputies elected in June 2011 to serve 3 year
term only, thereafter 4 year terms
 - Temporary increase in number of States Members from
June 2011 until April 2012. *(Matthews amendment)*

Part III - Other issues:

- (i) Elections to be held by Single Transferable Vote system
(Hadley amendment)
- (ii) Chief Minister to be elected from those elected as Island-wide
Deputies *(Matthews amendment)*

- (iii) Elections for the offices of Chief Minister and Ministers to be held immediately after the June 2011 election
(*Matthews amendment*)
 - (iv) Party Politics
(*further issues*)
 - (v) Elections of ministers, chairmen and members of departments and committees
(*further issues*)
14. Whilst it is hoped that dividing the issues into the broad groupings set out above will be of assistance to Members of the States in digesting this report there are, nonetheless, certain issues which will require cross-referencing. By way of example, the sursis requires that the Part II items take into account Part I, i.e. the possible modifications of the number of People's Deputies.
15. The explanatory note to the sursis refers to "*detailed consideration of the pros and cons*", and indeed many Members used similar terminology in the course of the sursis debate. The States Assembly and Constitution Committee has desisted from using the terminology "*pros and cons*" in this report because what may be considered to be a positive argument by some is viewed as a negative argument by others.

PART I - NUMBER OF MEMBERS IN THE STATES OF DELIBERATION

16. In the Committee's previous report it was stated that some of the respondents to the public consultation had suggested that the overall number of States Members should be reduced. The Committee acknowledged that there may indeed be good reasons to reduce the number of States Members whilst at the same time holding the view that it would be inappropriate to associate such a reduction with a proposed change in the method of election. Reducing the number of Members simply to accommodate a system of voting is certainly not sufficient reason in itself for such a change. Indeed, the overall number of Members is related more to the machinery of government rather than to one particular electoral system.
17. The following table showing the number of members of parliament in other jurisdictions of similar area/population was included in the Committee's 1st Report. Whilst the jurisdictions may be similar in area/population it should be noted that in all of them (save for Jersey and the Isle of Man) there is an established party political culture.

	Land area km ²	Population	N° of elected Members	Population per Member
Guernsey	65	62,274 ⁴	45 ⁵	1,384
Liechtenstein	160	33,987	25	1,359
Gibraltar	6.5	27,928	18	1,552
Jersey	116	90,800	53	1,713
Bermuda	53	65,773	36	1,827
Isle of Man	572	80,058	34	2,354
Andorra	468	71,201	28	2,543

18. If the number of Members of the States had relevance only with regard to elections then the matter would be more straightforward. Reducing the overall number of voting Members would not adversely affect any of the Island-wide voting options put forward. Indeed, the contrary is true: the implementation of all the options would probably be eased by a reduction in the number of persons elected. However, the issues are not so simple because in determining the number of members required there are factors which have to be taken into account which go well beyond those which are relevant solely for the purpose of selecting an electoral system.

19. Firstly, the States have directed the Public Accounts Committee –

“to report to the States of Deliberation during 2010 with recommendations for improving the governance arrangements of the States of Guernsey within the existing structure of government by committees and consensus and using as a benchmark the six recognised principles of good government.”⁶

At the time of writing this report it is not known whether the recommendations made by the Public Accounts Committee pursuant to that resolution will bear upon the constitution of the States.

20. Secondly, Guernsey has a system of government by committees and consensus: not a cabinet/ministerial system with party politics. The States of Deliberation, therefore, have parliamentary duties that include legislative and governmental functions and the distinction between the two functions is less clear under the current system than it might be under other systems. It might be argued that fewer than 47 Members are required to fulfil the governmental functions but it could equally be argued that 47 Members was appropriate for the proper

⁴ Latest available population of Guernsey, Herm and Jethou (*source: Social Security Department*).

N.B. as this figure is not provided on a parish-by-parish basis it has been necessary to use the population as recorded in the 2001 Census in subsequent tables where the precise parish/electoral district population is required.

⁵ In addition to which are two members appointed by the States of Alderney.

⁶ Resolution of the 28th January 2010 on Billet d'État III of 2010, p. 97

discharge of the parliamentary functions. A parliament must have sufficient members to ensure reasoned political argument and debate.

21. The Committee believes that any significant reduction in the number of States Members could adversely affect the balance between those who present matters for debate and those who provide the necessary element of scrutiny within the States Assembly. This balance is fluid and changes for each debate depending on the number of departments involved, either directly or indirectly, in any particular matter. Further, of the 13 States Members who are currently members of either or both the Scrutiny Committee and Public Accounts Committee, only four of them do not also have a seat on one of the States departments. This is indicative of the complexities of providing challenge and scrutiny in a non-party system.

PART II - ELECTION OF MEMBERS OF THE STATES OF DELIBERATION

(i) 45 DEPUTIES ELECTED IN SEVEN ELECTORAL DISTRICTS

22. Overview

- (a) The Island is divided into seven electoral districts broadly similar in size, with each district electing either six or seven members; a total of 45 People's Deputies being elected throughout the seven electoral districts. In 2004 there were 82 candidates for the 45 seats; in 2008 a total of 88 candidates sought election. Voters have as many votes as there are seats available (i.e. six or seven). Voters select individual candidates and may use as many, or as few, of their votes as they wish. The six or seven candidates, as the case may be, securing the highest number of votes are declared elected. The figures detailed in Appendix 1 show the average number of votes cast by each elector in the 2004 and 2008 General Elections of People's Deputies and also the 1994 and 1997 Conseillers' Elections.
- (b) Division of the Island into electoral districts was reintroduced⁷ in 2004 and the district boundaries remained unchanged in 2008. The parishes of St. Sampson, the Vale and the Castel each form an electoral district, the parish of St. Peter Port is divided into two districts, the parishes of St. Saviour, St. Pierre du Bois, Torteval and the Forest together comprise one district with the remaining parishes of St. Martin and St. Andrew also forming one district.

⁷ The office of People's Deputy was created in 1899 when nine Deputies were elected in an Island-wide poll. In 1928 the number of Deputies was increased to 18 and the elections were held in six electoral districts. In 1949 the number of Deputies was further increased to 33 with each of the 10 parishes comprising a separate electoral district. Until 1949 the Rectors and Jurats were Members of the States of Deliberation and each parish was represented by a Constable or Douzenier until 2004. In 2000 the number of Deputies was again increased to 45 with elections continuing on a parochial basis.

- (c) The method of election and district boundaries are generally understood by the electorate. There is a degree of ‘parochial’ representation although in only three cases do the parish and electoral district boundaries actually coincide. Election by electoral districts is criticised by proponents of Island-wide voting who hold that electors are unfairly constrained by being prevented from voting for, or not voting for, candidates in other electoral districts.

23. **Candidates**

Whilst candidates themselves do not need to reside in the electoral district in which they seek election (although over 75% of People’s Deputies currently do so) they can be proposed and seconded only by persons inscribed on the district’s electoral roll. Many, but by no means all, candidates canvass from door-to-door. This is less easy in the geographically larger districts, for example West district which covers one-third of the Island. Candidates’ expenses must be contained within the limits prescribed by Ordinance⁸ which currently provides that the maximum which may be expended by a candidate for the office of People’s Deputy is £1,400. Such expenses as may be incurred are borne by the candidates themselves. The only expense in this regard which is met by the States is the postage of manifestos.

24. **Electors**

In the present electoral districts the number of candidates in the 2008 General Election ranged from 11 (South-East district) to 14 (St. Peter Port South and St. Peter Port North districts). Electors may cast their votes at any polling station within the electoral district.

25. **Manifestos**

It has become an almost universal practice for election candidates in Guernsey to distribute a manifesto either to each elector, or alternatively, one to each household. The cost of printing and enveloping is borne wholly by the candidate. By resolution of the States,⁹ 50% of the cost of postage of manifestos may be claimed from the States by the candidates. However, when the envelope contains the mailings of two or more candidates then the States will meet the full cost thereof. The cost of this facility in respect of the 2008 General Election was just over £30,000. On that occasion 40 candidates posted individually (and therefore paid 50% of the cost of postage), 38 candidates posted with one or more other candidates (and therefore received free postage) and 10 candidates did not use the scheme. Appendix 2 provides greater detail regarding the use of this facility in the 2008 General Election.

⁸ The Elections Ordinance, 2007

⁹ Resolution of 29th October 2003 on Article 24 of Billet État XXI of 2003, p. 2103

26. **Hustings**

- (a) Whilst there is an established tradition of hustings being held prior to each election of People's Deputies there is no statutory obligation for such meetings to take place. The meetings are usually organised by the Constables and Douzaines of the parishes although in the multi-parish electoral districts the District Returning Officer now undertakes the task. The costs relating to the hire an appropriate hall and public address system and the placing of advertisements are met by the States.
- (b) The usual pattern is for an evening meeting to be held in a large hall at which each candidate is given the opportunity to deliver a set speech following which electors have the opportunity of asking questions to which each candidate is invited to reply. In the current seven electoral districts with a dozen or so candidates it is not possible to take a large number of questions. Nonetheless these meetings still attract a large number of electors. Indeed in the 2008 General Election of People's Deputies at least one electoral district held two hustings. In that election several districts also held one-to-one 'surgeries'.

27. **Polling Stations**

- (a) Polling stations are set up and run by the Constables and Douzeniers of the parishes.¹⁰ There are two polling stations in each electoral district with the exception of West district which currently has five. Generally the parish officials act as scrutineers although in some parishes they are assisted to a greater or lesser extent by other helpers. The States meet the costs incurred in providing polling stations.
- (b) In the larger polling stations such as the Vale Douzaine Room eight polling booths are provided whereas in the smaller polling stations like Torteval only one booth is required. Some electors will take only a few seconds to mark their ballot paper whilst others may take a minute or more. At peak times small queues of voters will form but in general voters are processed in a relatively short period of time.

28. **Vote Count**

At the close of voting all the ballot boxes in each electoral district are taken to one venue where the votes for the entire district will be counted together. The votes are counted, in accordance with procedures set out by the Registrar-General of Electors, by parish officials and other helpers. The Committee wishes to record, on behalf of the States, its appreciation for the work relating to elections done by those officials and helpers. In the past two General Elections the results have been declared in most districts between 11.00 p.m. and 2.00 a.m.

¹⁰ Article 38 (1) of the Reform (Guernsey) Law, 1948, as amended

– that is some three to five hours after the close of the poll. Costs associated with the count are borne by the States.

29. **Estimated Cost¹¹**

The cost of running the 2008 General Election of People's Deputies was £71,306. However, should it be decided to introduce electronic counting of votes, which would enable an earlier declaration of results, the cost of hiring the necessary equipment would increase by an estimated £25,000 making an approximate total cost in the region of £96,000.

30. **Effect of modification of numbers**

Reducing the number of People's Deputies would result in a reallocation of seats as follows: -

District	Population¹²	45 seats	40 seats	38 seats	35 seats	30 seats
St. Peter Port South	7,843	6	5	5	5	4
St. Peter Port North	8,742	7	6	6	5	4
St. Sampson	8,592	6	6	5	5	4
Vale	9,573	7	6	6	6	5
Castel	8,975	7	6	6	5	5
West	7,406	6	5	5	4	4
South-East	8,676	6	6	5	5	4
	59,807	45	40	38	35	30

- (a) The practical effect of reducing the number of People's Deputies in each of the present electoral districts is minimal. Fewer seats will not necessarily mean fewer candidates. There would be a marginal reduction overall in the time spent by electors in the polling booths. The counting of votes may be completed a little quicker. The cost of running the election would not change significantly unless there was a corresponding reduction in the number of candidates.
- (b) Having regard to the present rates of Payments to States Members, and taking into account the basic allowance, the expense allowance and the

¹¹ Throughout this report "Estimated Cost" includes the total cost associated with a General Election, but excluding the cost of establishing and maintaining an Electoral Roll which is the responsibility of the Home Department. However, the costs in that regard are unlikely to vary significantly between the various methods of electing People's Deputies other than those schemes which require elections at less than four-year intervals in which case the cost may be significantly higher.

¹² In this section the figures relating to the population of parishes are taken from the 2001 Census which is the most recent data available relating to parish population – see Appendix 3 for details.

States' contribution to the Pension Fund, the cost of payments to States Members would reduce as follows:

- reduction of 5 Members £147,500 per annum
- reduction of 10 Members £295,000 per annum
- reduction of 15 Members £442,500 per annum

(ii) 45 ISLAND-WIDE DEPUTIES ELECTED IN A SINGLE ELECTION

31. Overview

- (a) All Members of the States would be Island-wide Deputies. This method of election would afford the widest choice possible – every elector, regardless of where he or she resides, would be free to choose from the entire list of candidates. Electors would be able to vote for up to 45 candidates although trends in previous elections indicate that most voters would probably use fewer votes than the maximum permitted.
- (b) The views of the Electoral Reform Society regarding this option are set out in paragraph (b) of Appendix 5.

32. Candidates

The average number of candidates in the 2004 and 2008 General Elections was 85. In the 1994 and 1997 Island-wide elections of Conseillers some candidates did carry out door-to-door canvassing. However, it was apparent that candidates targeted certain areas rather than attempting to visit every elector as some candidates do in the existing district elections. Candidates' expenses would continue to be limited by Ordinance. Even if it were possible for every candidate to visit every elector it is doubtful whether many electors would welcome a visit from so many candidates.

33. Electors

Island-wide voting would require electors to read numerous manifestos. Some electors may find this a daunting task; others will consider this perfectly acceptable in order to be able to vote for all Members of the States. Even if each candidate were to be restricted to only 700 words, that would be equivalent to reading approximately 85 pages of print¹³. Electors would be able to cast their votes at any polling station within the parish in which they reside, as was the case in the 1994 and 1997 Island-wide elections.

¹³ Based on 85 candidates. One standard A4 page printed in 12 point Times New Roman contains between 500 and 700 words depending on the margins set.

34. Manifestos

- (a) Manifestos are the primary means available to candidates to communicate their views to the electorate. Indeed they would assume an even greater importance in Island-wide elections where it would be almost impossible to visit each elector.
- (b) In respect of the Island-wide elections held in 1994 and 1997, candidates' manifestos were published in a free newspaper distributed as a supplement to the Guernsey Evening Press and Star. Each candidate was allocated one page. The cost of printing was borne by the States: candidates were required, at their own expense, to deliver camera-ready artwork to the printers. It was a condition in the 1994 and 1997 elections that candidates had to have served for at least 30 months as a Member of the States prior to the election.
- (c) Despite the use of a 'manifesto newspaper' in 1994 and 1997, the Committee does not feel able to recommend that method of distribution in respect of future Island-wide elections. The website of the Guernsey Press and Star states that the newspaper is "*read by 8 out of 10 of the population*". In terms of delivering manifestos this could mean that 20% of the electorate may not receive a copy. Additional copies of the newspaper could, of course, be made available throughout the Island (as was done in 1994 and 1997) but the Committee believes it to be unacceptable that a significant number of electors may not have sight of the manifestos.
- (d) The Committee therefore recommends that all manifestos should be delivered to each household occupied by at least one elector and that the cost of delivery be borne by the States.
- (e) As was the case in 1994 and 1997 candidates would be required to submit camera-ready artwork to a designated printer. Candidates would be required to share the cost of printing, packaging and labelling the collective manifesto document. This would be done on the basis of a fixed cost per page which would be determined prior to the opening of nominations. It would, however, be open to candidates not to participate in the scheme but they would still have to carry out their campaign within the spending limits prescribed by Ordinance.
- (f) The question as to whether candidates should bear none, or some, or all of the costs of issuing the Election newspaper was referred to in the Committee's Second Report. The Committee, by a majority, holds the view that it would not be unreasonable to require candidates who wished to be included in the 'manifesto' publication to meet the cost of printing, packaging and labelling. That being so candidates should be informed of the cost in advance of agreeing to take part in the publication. It is

envisaged that the cost of participating in the publication would be part of, and not in addition to, the maximum amount prescribed by Ordinance.

- (g) In the 2008 General Election the two candidates who subsequently asked voters not to vote for them spent nothing. In respect of the remaining 86 candidates the amount expended ranged from £12.60 to £1,397.92. The maximum allowable¹⁴ was £1,400. The average spent by elected candidates was £833 and by candidates who were not elected was £580. This can be further analysed as follows:

Amount Spent	Number of Candidates
£0-£200	7
£201-£400	13
£401-£600	19
£601-£800	15
£801-£1000	13
£1001-£1200	7
£1201-£1400	14

The Committee does not believe that potential candidates would be deterred from standing by having to make a contribution towards the cost of the manifesto.

- (h) One alternative to the proposed single delivery of all candidates' manifestos would be to continue the present subsidised postage scheme described more fully in paragraph 25 and Appendix 2. Whereas in the current district elections manifestos are posted to approximately 80% of the households occupied by at least one elector, it is likely that an even higher percentage of postings would be made in an Island-wide election.
- (i) The advantage of candidates arranging their own postal distribution of manifestos is that they retain full control over the style and presentation of the document which might vary from a single sheet printed in black ink to a multi-page, full colour glossy booklet. The publication referred to in (e) above would require conformity to a greater or lesser degree with a standard size. The cost, however, of postal distribution would be considerable – both for the States and the candidates themselves. Candidates would also be constrained by time in that a distribution to each household occupied by at least one elector would require the preparation of over 18,000 envelopes. If a manifesto were to be addressed to each elector that would require the filling of over 33,000 envelopes.

¹⁴ Prescribed by the Elections Ordinance, 2007

- (j) Further details regarding the cost of distributing manifestos are set out in the section headed “Estimated Cost”.

35. **Hustings**

- (a) With a limited number of candidates, hustings provide a useful means of establishing two-way communication between the electorate and the candidates. Importantly the electorate is able to gauge the ability of the candidates to answer questions under pressure and to hear their opinion on various issues but it would clearly be impossible to hold traditional hustings with the anticipated number of candidates. In the 1994 election when there were 26 candidates, each candidate spoke for no more than five or six minutes at each of the seven hustings.
- (b) Whilst hundreds of electors attend hustings across the Island, other ways of conducting public interaction between the candidates and the electorate are required. The Committee noted that the one-to-one ‘surgeries’ held in several electoral districts in the 2008 General Election were successful. These comprised full-day or half-day events when all or most of the candidates assembled together. Electors were able to engage candidates on a one-to-one basis. This means of engagement appears to have been appreciated both by the candidates and the electors. This would be an appropriate means of providing for the public and candidates to interact in the context of an Island-wide election. Several such meetings could be held in large venues.
- (c) It is envisaged that future candidates are likely to use the internet increasingly and indeed a number of candidates in the 2008 General Election set up comprehensive websites. The Committee has considered whether candidates’ manifestos could be included in a dedicated section of the States’ website and believes that there is merit in the idea and that it should be pursued regardless of what method of election is finally agreed.
- (d) The media, both written and spoken, will have an even more important part in disseminating candidates’ views to the electorate.

36. **Polling Stations**

- (a) Electors will be handed a ballot paper containing the names of all the candidates. Even those who attend with a pre-prepared list will still take some time to vote, in particular when they use all or most of their votes. Under the current system some electors do not take long to vote whilst others take several minutes to choose up to seven names from perhaps 14 candidates.
- (b) This could result in logistical issues for the polling stations. At present the smaller polling stations have just one polling booth whilst some of

the larger polling stations have eight polling booths. This could mean that the smaller polling stations would need three or four polling booths with the larger polling stations needing perhaps 30 or more.

- (c) This would result in several of the existing polling stations being of inadequate size. A further consequence of electors taking longer to complete their voting papers is that more people means more cars – and car parking is already an issue at some polling stations under the present system.
- (d) Ballot papers would be substantially larger than present ballot papers. Existing ballot boxes would clearly not be sufficient but this factor is dealt with in greater detail in the following section relating to the counting of votes.
- (e) The Committee notes that at present polling stations are open from 8.00 a.m. to 8.00 p.m. in the two St. Peter Port electoral districts and from 10.00 a.m. to 8.00 p.m. in all other electoral districts. The Committee is not aware of any dissatisfaction with regard to the current polling hours. The States are heavily reliant on the goodwill of parish officials and their helpers in running the polling stations and (other than in St. Peter Port) there has always been resistance to opening the polls earlier. On balance the Committee does not see any need to vary the hours of polling but it would certainly be the case that extending the polling hours would help to mitigate some of the difficulties identified earlier in this section of the Report.
- (f) Previously consideration has been given as to whether there would be any merit in moving election day from Wednesday to Saturday.¹⁵ At that time five Douzaines favoured, or raised no objection to, moving election day to Saturday; four preferred remaining with Wednesday and one Douzaine was equally divided. The Douzaines were thus fairly evenly divided as to whether elections should be held on Wednesdays or Saturdays.
- (g) Research conducted in other jurisdictions indicates that the pros and cons of weekday as opposed to weekend elections are broadly in balance. That being so, and having regard to the mixed views of the Douzaines, it was concluded in 2007 that as the arguments in favour of holding the General Election on a Saturday were inconclusive, the elections should continue to be held on a Wednesday for the time being.
- (h) The Committee would certainly not recommend any changes regarding either extended polling hours or weekend elections without first consulting all the Douzaines.

¹⁵ Billet d'État XVI of 2007, Article 14

37. **Vote Count**

- (a) 18,576 electors voted in the 2008 General Election. If, in an election for 45 Island-wide Deputies, the same number of voters used 70% of the maximum number of votes possible, that would amount to over 585,000 votes. In the 2008 General Election just over 91,000 votes were cast. These figures indicate that in an Island-wide election there could be a six-fold increase in the number of votes to be counted. More conservatively it can be assumed that there would at least be a quadrupling of the number of votes cast.
- (b) In all of the present electoral districts large teams of people work diligently in the counting of votes after the poll has closed. However, the present system is both labour-intensive and time-consuming. With a considerably larger number of candidates and votes to be counted the margin of error is likely to increase.
- (c) Whilst a manual count would not be impossible, it would take so long that the introduction of Island-wide voting effectively makes it essential to employ electronic equipment to count the votes. Electronic counting is used by some UK authorities but, because the machines are used relatively infrequently, they are hired rather than purchased. There are a number of UK companies that specialise in hiring out such equipment which may include peripheral items such as special ballot boxes which ensure that ballot papers are not folded (creased ballot papers are prone to being rejected by the machinery and as a consequence have to be processed manually).

38. **Estimated Cost**

- (a) General costs are estimated at £40,000, electronic counting at £25,000 and the full cost of delivering a 'manifesto' package to each household occupied by at least one elector would be in the region of £19,000. The overall cost, therefore, for a single Island-wide election held every four years with manifestos delivered as set out in paragraph 34 is estimated to be £84,000.
- (b) If, however, manifestos were to be delivered by post under the current scheme, (i.e. individual mailings by candidates) the cost to the States for postage alone would be in excess of £260,000 for a mailing to each household occupied by at least one elector and in excess of £480,000 if manifestos were posted to each elector individually. To those figures has to be added the general costs of £40,000 and electronic counting cost of £25,000. The overall cost, therefore, for a single Island-wide election held every four years with manifestos delivered by post would range from £325,000 to £545,000.

- (c) In addition to the figures estimated in (a) and (b) above, the provision of additional polling booths as identified in paragraph 36 could be in the region of £7,500, although this would be a one-off cost.

39. Effect of modification of numbers

A reduction in the number of Members of the States would have no adverse consequences on this method of election. Indeed the converse is true – reducing the number of seats would mitigate some of the difficulties set out in paragraphs 34, 36 and 37. However, a reduction in the number of seats does not necessarily mean a reduction in the number of candidates. The potential savings identified in paragraph 30 (b) would apply equally in this case.

(iii) 45 ISLAND-WIDE DEPUTIES – HALF ELECTED EVERY TWO YEARS

40. Overview

- (a) All Members would be elected as Island-wide Deputies but with one half of the Deputies being elected every two years for a four year term. If it is believed that the scheme set out in section (ii) places too great a burden on the electorate in having to consider manifestos from a large number of candidates then this scheme would require the voters to consider the manifestos of fewer candidates. Those who favour this option consider it to be more practicable. It also offers opportunities for mid-term elections for membership of departments and committees.
- (b) For many years the practice has been that the States of Deliberation do not meet (other than in an emergency) in the period between the opening of nominations and the 30th April in the year of a General Election. Thus the last meeting before a General Election takes place in mid-March. This minor hiatus to policy-making would take place every two years under this scheme.
- (c) This scheme would need to be implemented in stages, as follows. The 2012 election would be held in the current seven electoral districts. The top three successful candidates in each district would be elected to serve for four years to 2016. In one of the seven-seat districts the candidate placed fourth would also serve a four-year term (this is necessary to provide for an ongoing 22/23 split in subsequent years.) The remaining successful candidates in each district would be elected for only two years to 2014. In 2014 those vacated seats would be contested on an Island-wide basis. Similarly in 2016 when the term of office of those Members elected in 2012 for four years would expire, those seats would be contested on an Island-wide basis.

41. Candidates

- (a) Although the number of seats being contested would be only one half of the total, it does not necessarily follow that the number of candidates will

also be halved. It is expected that the number of candidates in an Island-wide election for half the seats every two years would be between 50 and 80. Candidates would need to be proposed and seconded by two people whose names were inscribed on the Electoral Roll.

- (b) In the 1994 and 1997 Island-wide elections of Conseillers some candidates did carry out door-to-door canvassing. However, it was apparent that candidates targeted certain areas rather than attempting to visit every elector as some candidates do in the existing district elections. Candidates' expenses would continue to be limited by Ordinance. Even if it was possible for every candidate to visit every elector it is doubtful whether many electors would welcome a visit from such a large number of candidates.

42. **Electors**

This scheme would also result in electors having to read and digest literature from many candidates. Based on a possibility of 60 candidates, if each of them were to be restricted to only 700 words, that is equivalent to reading approximately 70 pages of a Billet d'État. Electors would be able to cast their votes at any polling station within the parish in which they reside, as was the case in the 1994 and 1997 Island-wide elections. A further issue is that electing one half of the Assembly every two years would mean that there would be no General Election in which the electorate could express its opinion on the States as a whole. In addition, requiring voters to turn out every two years may result in a degree of voter apathy.

43. **Manifestos**

Paragraph 34 applies equally to this scheme.

44. **Hustings**

Paragraph 35 applies equally to this scheme.

45. **Polling Stations**

The details set out in paragraph 36 apply to this scheme, but not to the same extent. Electors will be required to select up to 22/23 candidates rather than the 45 in the single election scheme. That said, polling stations would still need increased capacity, particularly with regard to the provision of polling booths and, in some cases, car parking.

46. **Vote Count**

- (a) 18,576 electors voted in the 2008 General Election. If, in an election for 22 Island-wide Deputies, that same number of voters used 70% of the

maximum number of votes possible that would amount to over 286,000 votes. In the 2008 General Election just over 91,000 votes were cast. Thus there could be a three-fold increase in the number of votes to be counted.

- (b) Sub-paragraphs (b) and (c) of paragraph 37 apply equally to this scheme.

47. **Estimated Cost**

- (a) The cost of this scheme would certainly be considerably more than any of the other schemes set out in this report as the electoral system would have to be set up every two years rather than every four years. The Home Department has also expressed strong reservations regarding electoral roll costs should this scheme be pursued: the Department's comments are attached as Appendix 4.
- (b) General costs for a four-year period (i.e. two elections) are estimated at £80,000, electronic counting at £50,000 and the full cost of delivering a 'manifesto' package to each household occupied by at least one elector would be in the region of £38,000. The overall cost, therefore, for two Island-wide elections in each four-year period with manifestos delivered as set out in paragraph 34 is estimated to be £168,000.
- (c) If, however, manifestos were to be delivered by post under the current scheme (i.e. individual mailings by candidates), the cost to the States for postage alone would be in excess of £340,000 for a mailing to each household occupied by at least one elector and in excess of £640,000 if manifestos were posted to each elector individually. To those figures has to be added the general costs of £80,000 and electronic counting cost of £50,000. The overall cost, therefore, for two Island-wide elections in each four-year period with manifestos delivered by post would range from £470,000 to £770,000.
- (d) In addition to the figures estimated in (b) and (c) above, the provision of additional polling booths as identified in paragraph 36 could be in the region of £7,500, although this would be a one-off cost.

48. **Effect of modification of numbers**

Paragraph 39 applies equally to this scheme.

- (iv) **35 ISLAND-WIDE DEPUTIES ELECTED IN A SINGLE ELECTION WITH 10 PARISH DEPUTIES ELECTED THE SAME DAY**

49. **Overview**

- (a) This scheme is a step towards full Island-wide voting: whilst it is not a full Island-wide voting system it does introduce an element of Island-

wide voting. This would not be a novel innovation in the constitution of the States.

- (b) Many Islanders regretted the end of direct parish representation when the office of Douzaine Representative was abolished in 2004. The principal objection to Douzaine Representatives was that although they were elected as Douzeniers they were not chosen by the electorate as Members of the States. This would not, however, be the case with the proposed Parish Deputies who would be elected by the people on the same day as the election of Island-wide Deputies.
- (c) This scheme addresses the criticism that a full or indeed a partial move to Island-wide voting is likely to diminish further the constituency links between the electors and the People's Deputies. In the present Assembly, for example, no Deputies reside in either St. Saviour's or Torteval. Under this scheme each parish would have one States Member mandated to have special regard to the particular interests of the parish. However, it is acknowledged that one of the disadvantages in single-seat systems is that they may, in certain circumstances, be perceived to be "safe seats" for the incumbent.
- (d) Under this scheme there would be some imbalance in favour of the smaller parishes as each parish would have one Parish Deputy. Many jurisdictions do, however, have such a representational imbalance in the constitutions of their parliaments for the very purpose of giving a fair voice to communities which are insignificant numerically.
- (e) Earlier, reference was made to the possibility that these positions could be perceived to be "safe seats". For that reason it is proposed, by a majority, that Parish Deputies be restricted to serve one term only in that office. If, at the end of the term, they wished to continue as a Members of the States they would be required to seek election as Island-wide Deputies.
- (f) The 35 Island-wide Deputies would be elected by Island-wide franchise. The election of Parish Deputies and Island-wide Deputies would be held on the same day. Candidates would not be able to compete in both elections – they would have to decide whether they wished to stand either for the parish seat or one of the Island seats.

50. **Candidates**

- (a) Candidates for the office of Parish Deputy would need to be proposed and seconded by two people whose names were inscribed on the Electoral Roll of the parish concerned. Insofar as the election of the Island-wide Deputies is concerned, the parish on whose Electoral Roll the names of the proposers and seconders are inscribed would be

irrelevant. Sub-paragraph (b) of paragraph 41 applies equally to the Island-wide elections part of this scheme.

- (b) A further point with regard to this scheme is that the 10 Parish Deputies would account for about 21% of the Assembly. Whilst it is correct that there would be 10 new Parish Deputies at each election it does not necessarily follow that the 10 Parish Deputies vacating that office would cease to be States Members. Indeed the Committee believes that the majority of them would seek election as Island-wide Deputies.

51. **Electors**

Paragraph 42 applies equally to this scheme. However, in addition, electors would also be faced with a small number of manifestos received from the candidates seeking election to the office of Parish Deputy.

52. **Manifestos**

Paragraph 25 applies equally to this scheme with regard to candidates for the office of Parish Deputy. Paragraph 34 applies equally to this scheme insofar as Island-wide elections are concerned.

53. **Hustings**

- (a) Sub-paragraph (a) of paragraph 26 applies equally to this scheme insofar as it relates to the election of a Parish Deputy. Indeed, given the likelihood that there would be fewer candidates for the single Parish Deputy's seat than there are for the current six or seven People's Deputies, candidates for Parish Deputy would probably face a greater number of questions at the hustings.
- (b) Paragraph 35 applies equally to this scheme insofar as it relates to the Island-wide election.

54. **Polling Stations**

The details set out in paragraph 36 apply to this scheme, but with modifications. The number of candidates in the Island-wide election would probably be less given that some candidates would, instead be seeking election as Parish Deputies. However, whatever marginal gain arises in that regard, will be negated by the fact that candidates would be given two ballot papers – one for the Parish Deputy's election and one for the Island-wide election. This would also give more work for the polling station officials. If two ballot boxes were used (one for each election) then an official would need to supervise the placing of the votes in the boxes to ensure that the votes were not placed in the incorrect box.

55. **Vote Count**

- (a) In the previous paragraph reference is made to the possibility of using two ballot boxes to ensure, as far as possible, that the voting slips of the two elections were not mixed. However, experience in the United Kingdom indicates that however much care is taken, a few voting slips will inevitably be placed in the wrong container. As a preliminary to counting, therefore, both boxes would need to be opened to ensure that there were no Parish Deputy votes amongst the Island-wide votes, and vice-versa.
- (b) The votes relating to the Parish Deputy's election would be counted by parochial officials manually. Where there is only one candidate the process is very simple and takes relatively little time – certainly less than an hour in the smaller parishes.¹⁶
- (c) Paragraph 37 applies equally to this scheme insofar as it relates to the Island-wide election.

56. **Estimated Cost**

- (a) General costs are estimated at £50,000, electronic counting at £25,000 and the full cost of delivering a 'manifesto' package to each household occupied by at least one elector would be in the region of £11,000. The overall cost, therefore, for a single Island-wide election held every four years with manifestos delivered as set out in paragraph 34 together with the election on the same day of one Parish Deputy in each parish, is estimated to be £86,000.
- (b) If, however, Island-wide manifestos were to be delivered by post under the current scheme (i. e. Individual mailings by candidates), the cost to the States for postage alone would be in excess of £170,000 for a mailing to each household occupied by at least one elector and in excess of £320,000 if manifestos were posted to each elector individually. To those figures has to be added the general costs of £50,000 and electronic counting cost of £25,000. The overall cost, therefore, for a single Island-wide election held every four years with manifestos delivered by post together with the election on the same day of one Parish Deputy in each parish, would range from £245,000 to £395,000.
- (c) In addition to the figures estimated in (b) and (c) above, the provision of additional polling booths as identified in paragraph 36 could be in the region of £7,500, although this would be a one-off cost.

¹⁶ Prior to the establishment of multi-parish electoral districts in 2004 it was not unusual for single-seat parishes to declare the result within 15-20 minutes of the close of polling.

57. Effect of modification of numbers

In general paragraph 39 applies equally to the Island-wide element of this scheme. It would have no effect on the Parish Deputy element as the substance of that part of the scheme is that each parish has one such representative and ten is therefore the minimum number without destroying the rationale for having Parish Deputies.

(v) RESTRICT THE NUMBER OF VOTES WHICH ELECTORS MAY CAST

58. Overview

- (a) In the Committee's Second Report reference was made to the additional comments which were sought in the public consultation. One such comment was that if Island-wide voting was introduced, each elector should be limited to 10 votes. Some members of the Committee, in supporting that view, believed that restricting the number of votes would not have an effect on the outcome of the election but would result in a greater efficiency in the electoral process. Other members of the Committee, however, believed that the electors should be entitled to vote for as many candidates as there are seats available.
- (b) The views of the Electoral Reform Society regarding this option are set out in paragraph (c) of Appendix 5.
- (c) A majority of the Committee believe that restricting the number of votes would result in a greater efficiency in the electoral process. If that premise is accepted then it follows that as the number of votes given to each elector increases the efficiency of process achieved will diminish. The converse is also true – if electors were to be allocated fewer votes the efficiency would increase.

59. Candidates

Limiting the number of votes which each elector may cast is unlikely to have any effect on the number of candidates but candidates themselves may feel under greater pressure to obtain every possible vote given that the total number of votes cast would be reduced to between 25% and 45% of the total number of seats being contested, depending on which scheme was introduced.

60. Electors

Electors may be less daunted by having to choose not more than ten candidates from a list of perhaps 90 or 100 but it is contrary to one of the arguments in favour of Island-wide voting that every elector should have the opportunity of voting for (or not voting for) every candidate.

61. **Manifestos**

There are no implications which relate to manifestos.

62. **Hustings**

There are no implications which relate to hustings.

63. **Polling Stations**

The logistical difficulties regarding polling stations identified in earlier sections would be reduced to some degree as selecting up to ten candidates is very likely to take less time than selecting 45, 35 or 22 candidates. However, voters would still have a large ballot paper to contend with as this option would not result in a reduction in the number of candidates.

64. **Vote Count**

In earlier paragraphs it is noted that electronic counting of votes is considered to be essential in any Island-wide vote which involves a large number of candidates. That being so placing a limit on the number of votes available to each elector is unlikely to have any major impact if the votes are counted electronically. However, should a manual count of votes take place then there would be a significant reduction in the time required to complete the count.

65. **Estimated Cost**

This option is considered to be cost neutral.

66. **Effect of modification of numbers**

A reduction in the total number of seats contested would have no effect on this option.

(vi) CHIEF MINISTER ELECTED ISLAND-WIDE, 10 ISLAND-WIDE DEPUTIES AND 34 DISTRICT DEPUTIES ELECTED THE SAME DAY

67. **Overview**

(a) This proposal envisages three elections being held on the same day for the following offices:

- A Chief Minister;
- 10 Island-wide Deputies;

- 34 Electoral District Deputies.

- (b) This proposal goes much further than simply prescribing the method of election of certain offices. Electing the Chief Minister by universal suffrage would have a fundamental impact on the present system of government which should not be under-estimated. The Committee believes that there is a strong possibility that such an election would lead to the establishment of a presidential system being introduced. In the Committee's view if substantial powers were vested in the holder of that office this would have an adverse effect on Guernsey's system of consensus government.
- (c) The proposers of the amendment included the provision that candidates for the office of Chief Minister shall be eligible in accordance with Rule 20 (2A) of the Rules of Procedure of the States of Deliberation. The precise text of that Rule is as follows:

“Any Member of the States shall be eligible to hold the office of Chief Minister provided that he shall have held the office of People's Deputy for a period of not less than four years in the eight years immediately preceding the date set for the election of a Chief Minister”.

- (d) As presently drafted the effect of that Rule would mean that a person who first commenced service as a Member of the States on 1st May 2008 would be ineligible to seek election as Chief Minister in April 2012 as, at the date of election, they would not have been a People's Deputy *“for a period of not less than four years”*. Similarly, a person who had served for many years but who was not currently a Member of the States on the date of the election would also be ineligible as the Rule presently restricts the office of Chief Minister to a *“Member of the States”*.
- (e) It is, however, assumed that the proposers of the amendment were not seeking to exclude the candidature of such persons. That being so, if this scheme were to find favour with the States, it would be necessary to remove the anomalies identified above. In any event if the Chief Minister were to be elected by the electorate legislation would be required. It would therefore no longer be a matter for regulation by Rules of Procedure.

68. **Candidates**

- (a) The 34 seats would be distributed between the seven electoral districts as follows:

District	Population	34 seats
St. Peter Port South	7,843	5
St. Peter Port North	8,742	5
St. Sampson	8,592	5
Vale	9,573	5
Castel	8,975	5
West	7,406	4
South-East	8,676	5
	59,807	34

- (b) The Chief Minister and the 10 Island-wide Deputies would be elected by Island-wide franchise. The election of Electoral District Deputies and Island-wide Deputies would be held on the same day. Candidates would not be able to contest both elections – they would have to decide whether they wished to stand either for a district seat or one of the Island seats. Those who choose to stand in the Island-wide election and who are eligible pursuant to (an amended) Rule 20(2A), would also have to consider whether they wished to seek election for the office of Chief Minister.
- (c) Given that the ratio of district seats to Island-wide seats is 3:1 it is assumed (for the purpose of this report) that the candidates would be in a similar ratio in which case it is possible that there might be 25 candidates in the Island-wide election and 77 candidates in the district elections (i.e. 11 in each district). In the 1994 General Election 26 candidates contested the 12 seats for the office of Conseiller.

69. **Electors**

Electors would be faced with literature from two sets of candidates. However, given that the Island-wide candidates' manifestos would probably be in the form of a newspaper supplement and the district candidates in traditional form, confusion between the two elections is not likely. Electors would be able to cast their votes at any polling station situated in the electoral district in which they reside.

70. **Manifestos**

Paragraph 25 applies equally to this scheme with regard to candidates for the office of Parish Deputy. Paragraph 34 applies equally to this scheme insofar as Island-wide elections are concerned.

71. **Hustings**

The 'traditional' form of hustings described in paragraph 26 could continue with regard to the election of district deputies. It might also be possible with regard to the Island-wide elections although it is noted that in the 1994 election of Conseillers with 26 candidates each candidate spoke for no more than five or six

minutes at each of the seven hustings. Indeed an additional difficulty arises under this scheme in that some of the Island-wide candidates would also be seeking election as Chief Minister and it is probably inevitable that many electors would choose to focus questions on the candidates for that office rather than generally. That being so the Committee believes that it would be necessary to hold separate hustings solely for those seeking election to the office of Chief Minister.

72. **Polling Stations**

- (a) Electors would be handed two ballot papers – one for the election of district Deputies and one for the election of Island-wide Deputies. It is envisaged that the latter would also incorporate the ballot for the office of Chief Minister. Under the current system it is noticeable that some electors take several minutes to choose their preferred candidates. Each elector is likely to take at least twice as long to vote in the two elections.
- (b) This could result in serious logistical issues for the polling stations. At present the smaller polling stations have just one polling booth whilst some of the larger polling stations have eight polling booths. This could mean that the smaller polling stations would need two or three polling booths with the larger polling stations needing perhaps 16 or more.
- (c) Consequently several of the existing polling stations would be of inadequate size. A further consequence of electors taking longer to complete their ballots is that more people means more cars – and car parking is already an issue at some polling stations under the present system.
- (d) Two ballot papers would also give more work for the polling station officials. If two ballot boxes were used (one for each election) then an official would need to supervise the placing of the votes in the boxes to ensure that the votes were not placed in the incorrect box.

73. **Vote Count**

- (a) In the previous paragraph reference is made to the possibility of using two ballot boxes to ensure, as far as possible, that the voting slips of the two elections were not mixed. However, experience in the United Kingdom indicates that however much care is taken, a few voting slips will inevitably be placed in the wrong container. As a preliminary to counting, therefore, both boxes would need to be opened to ensure that there were no District Deputies' votes amongst the Island-wide votes, and vice-versa.
- (b) The votes relating to the District Deputies' election would be counted by parochial officials manually at a central location within the electoral district. The number of seats in each district (and also probably the numbers of candidates) would be fewer than at present so it should be

possible for the votes to be counted manually, with a result being declared somewhat earlier than has been the case in the last two General Elections.

- (c) However, given that the parish officials would be fully engaged in counting the votes in the District elections it would be necessary to have a different team available at a central location to count the Island-wide votes. This might, for example, involve seeking volunteer civil servants to carry out the task. Given also that two counts would be necessary (i.e. the Island-wide deputies votes and also the Chief Minister's votes) it would be necessary to employ electronic counting.
- (d) In the 1994 General Election of Conseillers a recount of the entire vote was requested because of the very close margin between the 12th and 13th places. This was carried out by a team of about 80 people and took in excess of 12 hours.

74. **Estimated Cost**

- (a) General costs are estimated at £74,000, electronic counting at £25,000 and the full cost of delivering a 'manifesto' package to each household occupied by at least one elector would be in the region of £11,000. The overall cost, therefore, for a single Island-wide election coupled with a Chief Minister's election held every four years, with manifestos delivered as set out in paragraph 34, together with the election on the same day of Electoral District Deputies, is estimated to be £110,000. The election of a Chief Minister would not add materially to the overall cost of the Island-wide election.
- (b) If, however, manifestos in the Island-wide elections were to be delivered by post under the current scheme (i.e. individual mailings by candidates), the cost to the States for postage alone would be in excess of £70,000 for a mailing to each household occupied by at least one elector and in excess of £130,000 if manifestos were posted to each elector individually. To those figures has to be added the general costs of £74,000 and electronic counting cost of £25,000. The overall cost, therefore, for a single Island-wide election coupled with a Chief Minister's election held every four years, with manifestos delivered by post, together with the election on the same day of Electoral District Deputies, would range from £169,000 to £229,000.
- (c) In addition to the figures estimated in (b) and (c) above, the provision of additional polling booths as identified in paragraph 36 could be in the region of £7,500, although this would be a one-off cost.

75. **Effect of modification of numbers**

A reduction in the number of Members of the States would have no adverse consequences on this method of election. However, a reduction in the number of

seats does not necessarily mean a reduction in the number of candidates. The potential savings identified in paragraph 30 (b) would apply equally in this case.

(vii) 11 ISLAND-WIDE DEPUTIES AND 34 DISTRICT DEPUTIES ELECTED THE SAME DAY

76. Overview

- (a) This proposal envisages two elections being held on the same day for the following offices:
 - 11 Island-wide Deputies;
 - 34 Electoral District Deputies.
- (b) It is, in effect, a variation of scheme (vi), the difference being that 11 rather than 10 Island-wide Deputies are elected and the election of a Chief Minister is excluded from this process.

77. Candidates

- (a) The 34 seats would be distributed as set out in the table in paragraph 68.
- (b) The 11 Island-wide Deputies would be elected by Island-wide franchise. The election of Electoral District Deputies and Island-wide Deputies would be held on the same day. Candidates would not be able to contest both elections – they would have to decide whether they wished to stand either for a district seat or one of the Island seats.
- (c) Given that the ratio of district seats to Island-wide seats is 3:1 it is assumed (for the purpose of this report) that the candidates would be in a similar ratio in which case it is possible that there might be 25 candidates in the Island-wide election and 77 candidates in the district elections (i.e. 11 in each district). In the 1994 General Election 26 candidates contested the 12 seats for the office of Conseiller.

78. Electors

Paragraph 69 applies equally to this scheme.

79. Manifestos

Paragraph 25 applies equally to this scheme with regard to candidates for the office of Parish Deputy. Paragraph 34 applies equally to this scheme insofar as Island-wide elections are concerned.

80. Hustings

Paragraph 71 applies equally to this scheme.

81. **Polling Stations**

- (a) Electors would be handed two ballot papers – one for the election of district Deputies and one for the election of Island-wide Deputies. Under the current system it is noticeable that some electors take several minutes to choose their preferred candidates. Each elector is likely to take at least twice as long to complete vote in the two elections.
- (b) Sub-paragraphs (b) to (d) of paragraph 72 apply equally to this scheme.

82. **Vote Count**

Paragraph 73 applies equally to this scheme, save for the reference to the election of the Chief Minister.

83. **Estimated Cost**

Paragraph 74 applies equally to this scheme.

84. **Effect of modification of numbers**

Paragraph 75 applies equally to this scheme.

(viii) 15 ISLAND-WIDE DEPUTIES ELECTED IN JUNE 2011 BY THE ELECTORATE OF GUERNSEY AND ALDERNEY, HAVING BEEN NOMINATED BY 2 PERSONS FROM EACH OF THE 7 GUERNSEY ELECTORAL DISTRICTS AND 30 DEPUTIES FROM THE EXISTING 7 ELECTORAL DISTRICTS (WITH TRANSITIONAL ARRANGEMENTS)

85. **Overview**

- (a) This proposal includes:
 - electing 15 Deputies Island-wide in June 2011 for a three-year term and thereafter for four-year terms;
 - including the Alderney electorate in the Island-wide poll;
 - requiring candidates to be nominated by two persons from each of the seven Guernsey electoral districts;
 - increasing the number of States Members on a transitional basis so as to accommodate the additional members elected in June 2011;
 - providing that only Island-wide Deputies shall be eligible to hold office as Chief Minister;

- vacating the offices of Chief Minister and ministers in June 2011 and replacing them with persons elected in the June 2011 Island-wide election.
- (b) Electing 15 Deputies in an Island-wide election would not be far removed from the situation in St. Peter Port from 1949 until 1973 when that parish elected 13 People's Deputies. Under this scheme the Island-wide Deputies would be elected for three years – i.e. to 2014 and thereafter in 2018, 2022 etc. Elections of District Deputies would take place in 2016, 2020 etc. This would mean that General Elections would cease as there would be no occasion when all the Members of the States vacated office simultaneously.
- (c) Given that the ratio of district seats to Island-wide seats would be 2:1 it is assumed that the candidates would be in a similar ratio in which case it is possible that there might be 30 candidates in the Island-wide election. However, this election would not be taking place at the same time as the election of District Deputies and there is a reasonable likelihood that the number of candidates would therefore be greater.
- (d) This scheme proposes the participation of the Alderney electorate in the election of Island-wide Deputies. The Law¹⁷ provides that *“The people of the Island of Alderney shall ... be entitled to be represented in the States of Deliberation by ... ‘Alderney Representatives’ ... two in number”*. The two Alderney Representatives therefore comprise 4.25% of the membership of the States of Deliberation although the population of Alderney is only 3.69% of the combined population of Guernsey and Alderney.
- (e) If the Alderney electorate were to participate in the election of 15 Island-wide Deputies it seems reasonable that it should then have only a proportional share of the remaining 32 seats in the Assembly in which case the allocation would be as follows:

District	Population	32 seats
St. Peter Port South	7,843	4
St. Peter Port North	8,742	5
St. Sampson	8,592	4
Vale	9,573	5
Castel	8,975	5
West	7,406	4
South-East	8,676	4
Alderney	2,294	1
	62,101	32

¹⁷ The States of Guernsey (Representation of Alderney) Law, 1978

- (f) Alderney participated in the Conseillers' elections in 1994 and 1997. In 1994 the turnout in Alderney was 37% compared to 65% in Guernsey and in 1997 it was 30% in Alderney and 43% in Guernsey which may be an indication of the likely level of interest which would arise should Alderney participate in Island-wide elections.
- (g) Regardless of all the foregoing, the Committee concludes that if this scheme is introduced, the question of Alderney's participation should be decided by the people of Alderney. It would therefore be for them to decide either to maintain the status quo or else participate in the Island-wide elections with the proviso that there would be only one Alderney Representative. The Projet de Loi required to achieve this would need to be approved by both the States of Deliberation and the States of Alderney.
- (h) This scheme requires each candidate to be sponsored by a proposer and seconder from each of the seven Guernsey electoral districts. Whilst this might nominally indicate a degree of Island-wide support it would serve no real purpose. It also seems somewhat illogical to the Committee that if Alderney is to participate in the election that it should not also be a requirement to have a proposer and seconder registered on the Alderney electoral roll.
- (i) The next element of this scheme is that the number of States Members be increased on a transitional basis to accommodate between 0 and 15 States Members elected in 2011 who do not at that time already have a seat in the States. This appears to be predicated on the basis that many – although possibly not all or even any – of the present ministers and Chief Minister would seek election as Island-wide Deputies so as to be able to continue as Chief Minister/ministers. The final element is that the present Chief Minister and ministers be required to vacate those offices in June 2011 and that their successors in office be elected from the newly-elected Island-wide Deputies.
- (j) From the wording used in the relevant amendment it would appear that its proposer and seconder intended that any current States Member who wished to seek election as an Island-wide Deputy would be required to resign his/her existing seat before being nominated as an Island-wide Deputy, hence the proviso that the number of seats overall be increased on a transitional basis. Should a large number of States Members offer themselves as candidates in the Island-wide election it would, effectively, bring the business of the States to a halt for some six weeks, as presently happens from mid-March to the end of April in General Election years.
- (k) There would be logistical issues with regard to seating in the States Chamber. Whilst it would be possible to accommodate two or three

additional Members it would certainly not be possible if ten or twelve additional seats were required.

- (l) Given the lead-in time required to run an election it is improbable, in any event, that this scheme could be introduced in June 2011. Of no small consequence is the fact that an Order in Council would be required. That being so it is unlikely that an election could be held before the autumn of 2011 – just six months before the scheduled 2012 General Election.

86. **Candidates**

Under this scheme the Chief Minister would have to seek election as an Island-wide Deputy in 2011 notwithstanding the fact that his term of office as a People's Deputy will not expire until 30th April 2012.

87. **Electors**

- (a) As stated in paragraphs 85 (b) and (c) the task of electing 15 Members in one election is not dissimilar to the previous elections of 13 Deputies in St. Peter Port although the potential number of candidates could be at the point where reading the manifestos becomes burdensome. A further issue is that electing one half of the Assembly every two years would mean that there would be no General Election in which the electorate could express its opinion on the States as a whole. In addition, requiring voters to turn out every two years may result in a degree of voter apathy.
- (b) Electors would be able to cast their votes at any polling station within the parish in which they reside.

88. **Manifestos**

Paragraph 34 applies equally to this scheme.

89. **Hustings**

- (a) Paragraph 35 (a) describes the hustings which took place in 1994. On that occasion there were 26 candidates and that appeared to be at or near the maximum which could be accommodated at that type of meeting. A traditional hustings might just be possible under this scheme but very short speech limits would have to be imposed.
- (b) Otherwise, paragraph 35 (b) and (c) applies.

90. **Polling Stations**

Choosing up to 15 candidates would clearly take longer than the time it presently takes to select up to seven candidates. Some polling stations may therefore require additional polling booths.

91. **Vote Count**

- (a) It would be theoretically possible for the votes to be counted on a parish by parish basis. However, given that there would be twice as many votes to count as there are in the present elections and considering that some declarations are not made until the early hours of the morning, it unlikely that the parish officials would welcome the task, given that many of them also run the polling stations throughout the day.
- (b) The more likely alternative, therefore, would be to count the votes electronically (see paragraph 37 (c) for further details).

92. **Estimated Cost**

- (a) The cost of this scheme would be high as the electoral system would have to be set up every two years rather than every four years. The Home Department has also expressed strong reservations regarding electoral roll costs should this scheme be pursued: the Department's comments are attached as Appendix 4.
- (b) General costs for a four-year period (i.e. two elections) are estimated at £100,000, electronic counting at £50,000 and the full cost of delivering a 'manifesto' package to each household occupied by at least one elector would be in the region of £22,000. A further variation is whether electronic counting would be used in the Electoral District elections (it is assumed that it would be employed in the Island-wide elections). The overall cost, therefore, for two elections in each four-year period with manifestos delivered by newspaper is estimated to be £172,000.
- (c) If, however, manifestos were to be delivered by post under the current scheme (i.e. individual mailings by candidates), the cost to the States for postage alone would be in excess of £85,000 for a mailing to each household occupied by at least one elector and in excess of £160,000 if manifestos were posted to each elector individually. To those figures has to be added the general costs of £100,000 and electronic counting cost of £50,000. A further variation is whether electronic counting would be used in the Electoral District elections (it is assumed that it would be employed in the Island-wide elections). The overall cost, therefore, for two elections in each four-year period with manifestos delivered by post would range from £235,000 to £310,000.

93. **Effect of modification of numbers**

Paragraph 66 applies equally to this scheme.

PART III - OTHER ISSUES

(i) ELECTIONS TO BE HELD BY THE SINGLE TRANSFERABLE VOTE SYSTEM

94. Overview

- (a) Paragraphs (f) to (j) of the letter from the Electoral Reform Society reproduced as Appendix 5 sets out in detail the single transferable vote system (STV). Under the present system voters choose up to six or seven candidates without expressing an order of preference. With STV voters place the candidates in order of preference. STV reduces the chance element – particularly in respect of candidates on the margins of being elected or not being elected.
- (b) STV is capable of being used in any type of election other than in single seat elections. It will be noted that the Electoral Reform Society expresses strong reservations in respect of the use of STV in ballots in which there are large numbers of candidates. It would, however, be an innovation for Guernsey and would require good and sustained voter education to avoid confusion at the polls. The counting process is also cumbersome but this can be overcome with electronic counting.

95. Candidates

Under the present first-past-the-post system it matters not to the candidate whether he is a voter's first choice or sixth/seventh choice – securing a vote is the sole objective. However, when STV is used, not only must candidates ask electors to give them a vote, they must also persuade them to rank them as one of their early choices.

96. Electors

- (a) For electors it would be a totally new concept. No longer would voters mark their ballot papers with a cross – such papers would be invalid. Instead candidates are ranked in order of preference. They may rank as many or as few candidates as they choose. Thus in an election in which there were 90 candidates at one extreme they could rank all candidates from 1 to 90 or, at the other extreme simply rank one candidate as “1”. Both would be valid ballot papers. However, if a voter marks two candidates with the same preference then only the preferences with a higher value than the duplicated preference will be counted.
- (b) Considerable effort would have to be expended to ensure that every elector understood precisely how they were required to record their votes.

97. Manifestos

There are no implications which relate to manifestos.

98. **Hustings**

There are no implications which relate to hustings.

99. **Polling Stations**

The logistical difficulties regarding polling stations identified in earlier sections are likely to be exacerbated by STV. This would apply particularly with regard to schemes which potentially involve large numbers of candidates.

100. **Vote Count**

- (a) The first step is the calculation of the number of votes which candidates must receive to be elected. This is called the 'quota'. Ballot papers are then sorted according to voters' first choices. Candidates with at least the quota are then noted as elected. The surplus votes (the number of votes over the quota) of these candidates are then transferred to other candidates according to the voters' second choices. Any new surpluses created by this process are similarly transferred.
- (b) If not enough candidates have been elected, the candidate with the lowest number of votes is eliminated. That candidate's votes are then transferred to the (unelected) candidates marked as the next choice by the voters. The transfer of surpluses and the elimination of candidates continues until the required number of candidates has been elected.
- (c) The effect of all the above means that a manual count, whilst possible, would be so lengthy as to make it a necessity for electronic counting to be used.

101. **Estimated Cost**

The only additional cost would be with regard to voter education. Given the importance of ensuring that each and every elector is fully aware of what is required a substantial education programme would be required. It is difficult to estimate with accuracy, but given the cost of such a campaign in Scotland when STV was introduced in that country it could be in the region of £50,000.

102. **Effect of modification of numbers**

Reducing the number of seats available would affect the introduction of STV in that fewer seats make the counting process marginally simpler. However, for the reasons stated in paragraph 100, given that electronic counting would be a necessity, the real impact would be insignificant.

(ii) CHIEF MINISTER TO BE ELECTED BY THE PUBLIC FROM THOSE ELECTED AS ISLAND-WIDE DEPUTIES

103. Overview

At present the only condition which applies specifically to the candidature of persons seeking election as Chief Minister is Rule 20 (2A) of the Rules of Procedure which is set out in extenso in paragraph 67 (b).

104. Candidates

There are no implications which relate to candidates other than the obvious point - prospective Chief Ministers would first have to be elected as Island-wide Deputies. Such candidates would probably focus their election campaign on their intention to seek election as Chief Minister and may, for that reason, attract greater attention than the remaining candidates who might thus potentially be placed at a disadvantage.

105. Electors

There are no implications which relate to electors.

106. Manifestos

There are no implications which relate to manifestos.

107. Hustings

There are no implications which relate directly to hustings. However, as already stated above, Chief Minister candidates may be the focus of questions to the detriment of other candidates.

108. Polling Stations

There are no implications which relate to polling stations.

109. Vote Count

There are no implications which relate to vote counting.

110. Estimated Cost

There are no implications relating to the cost of running elections.

111. Effect of modification of numbers

Modifying the number of Members would have no effect on this suggestion.

(iii) ELECTION FOR THE OFFICES OF CHIEF MINISTER AND MINISTERS TO BE HELD IMMEDIATELY AFTER THE JUNE 2011 ELECTION

112. Overview

- (a) This issue is associated with the scheme set out in Part II section viii (paragraphs 85-93) which envisages that the Chief Minister must be an Island-wide Deputy. Should that scheme be introduced the Chief Minister would be deemed to have vacated that office and a fresh election would be held to replace him from amongst those recently elected as Island-wide Deputies.
- (b) The comments relating to timing in paragraph 85 (l) would have a consequential effect on this issue.
- (c) The comments in paragraph 85 (j) relating to the potential disruption also relates to this suggestion.

113. Candidates

There are no implications which relate to candidates.

114. Electors

There are no implications which relate to electors – i.e. the voting public. Insofar as the election of a Chief Minister is concerned the electors are the Members of the States of Deliberation. Having a fresh election for that office would require the convening of a special meeting of the States for that purpose.

115. Manifestos

There are no implications which relate to manifestos.

116. Hustings

There are no implications which relate to hustings.

117. Polling Stations

There are no implications which relate to polling stations.

118. Vote Count

There are no implications which relate to vote counting.

119. Estimated Cost

There would be some indirect and unquantifiable costs to the departments relating to the briefing of new ministers.

120. Effect of modification of numbers

Modifying the number of Members would have no effect on this suggestion.

(iv) PARTY POLITICS

Included as an appendix to the Committee's First Report was a note relating to political parties and this is reproduced as Appendix 6 to this Report.

THE PROPOSED WAY FORWARD

121. The States Assembly and Constitution Committee, in producing this present report, has been conscious of the criticism levelled at it in the States debate on the 1st July 2010, in particular, that the 2nd Report did not fully set out the merits or otherwise of the various options under consideration. The Committee believes that this present report fairly addresses all of the issues of concern raised in that debate. It is acknowledged by the Committee that pursuant to the States Resolutions of the 27th April 2006 and 28th January 2009 there is an expectation that it will present to the States propositions providing for Island-wide voting at the 2012 General Election.

122. The Committee believes that a majority of the electorate wishes to elect all the Members of the States on an Island-wide basis. This conclusion is clearly supported by the public consultation carried out last year. Paragraphs 31 to 39 set out in detail the issues which arise in relation to an Island-wide election of 45 Deputies. There exists amongst members of the Committee a range of views about the concept and methods of Island-wide voting. However, by a majority, the Committee has resolved that the method of Island-wide voting it should present to the States is that all People's Deputies be elected in one Island-wide election with effect from the General Election to be held in 2012.

Manifestos

123. The Committee proposes that manifestos be distributed to the electorate by means of a document containing the manifestos of all candidates which would be delivered to each household occupied by at least one elector. Candidates would be required to share the cost of printing, packaging and labelling the collective manifesto document. Candidates would, of course, be at liberty to decide not to participate in the publication, although any candidates who did so decide would still have to contain their overall expenditure within the prescribed limits.

Polling Stations

124. Paragraph 36 identifies certain logistical issues relating to polling stations. The Committee acknowledges that the size of some of the current polling stations will be inadequate and that it will therefore be necessary in certain parishes to find more suitable premises. This may include church halls and other community halls. School halls might also be used, particularly if elections were held on Saturdays. In that regard the Committee notes that school premises are often used as polling stations in both the United Kingdom and France. The Committee will be discussing the matter with all the Douzaines and, where changes are necessary, appropriate premises will have to be designated as polling stations by resolution of the States.

Restriction on number of votes which electors may cast

125. Paragraph 58 refers to the possibility of reducing the number of votes which each elector may have and it will be noted that the Committee believes that restricting the number of votes available to each elector would result in a greater efficiency in the electoral process. However, the Committee is of the opinion that the democratic process should not be compromised solely to achieve efficiency in the electoral process. It is of the view that every elector should have the opportunity of casting as many votes as there are seats available. Consequently no proposal is made which would limit the number of votes available to each elector.

Vote Count

126. For the reasons set out in paragraph 37 the Committee considers that it will be necessary for the votes to be counted electronically. The count will take place at a central location. Tenders will be sought from UK companies which specialise in hiring out the necessary equipment.

Estimated Cost

127. The cost of running an Island-wide election of 45 Deputies is estimated as follows:

General costs	£ 40,000
Electronic Counting	£ 25,000
Manifesto delivery	£ 19,000
Additional polling booths	<u>£ 7,500</u>
	<u>£ 91,500</u>

RECOMMENDATION

128. The States Assembly and Constitution Committee recommends the States to resolve that –

- (1) the Reform (Guernsey) Law, 1948, as amended¹⁸ be further amended to provide that with effect from the General Election to be held in 2012 there shall be 45 Deputies elected Island-wide for a four-year term and that the candidates in Island-wide elections shall be entitled but not obliged to have their manifestos distributed at the expense of the States by means of an election publication, the cost of which will be borne by the candidates;
- (2) the States Assembly and Constitution Committee be directed to report to the States with detailed proposals relating to the procedure at, and conduct of, such elections.

LEGAL CONSULTATION

129. The Law Officers have been consulted and advised that there would not appear to be any great difficulty in settling the legislative changes which would be required in order to give effect to the recommendations in paragraph 128 (1) of this report.

Yours faithfully

M M Lowe
Vice-Chairman

¹⁸ It may assist Members of the States to have the precise wording of Article 3(4) of The Reform (Guernsey) Law, 1948, as amended which applies to the above recommendation.

“... any resolution of the States of Deliberation directing the preparation of legislation to repeal or vary any of the provisions of this Law which is carried by a majority of less than two-thirds of the members present and voting shall not be deemed to have been carried before the expiration of seven days from the date of the resolution:

Provided that where before the expiration of the aforesaid seven days an application in writing signed by not less than seven members of the States of Deliberation is made in that behalf to the Presiding Officer such resolution shall be brought back before the States of Deliberation by the Presiding Officer as soon as may be after the expiration of three months from the date of the resolution whereupon such resolution shall be declared lost unless confirmed by a simple majority.”.

APPENDIX 1

AVERAGE NUMBER OF VOTES CAST BY EACH ELECTOR

	2004 General Election	2008 General Election
SEVEN SEAT DISTRICTS		
St. Peter Port North	4.87 - 69.6%	5.07 - 72.4%
Vale	4.93 - 70.4%	5.15 - 73.6%
Castel	4.73 - 67.6%	5.02 - 71.6%
<i>Average for seven seat districts</i>	<i>4.84 - 69.2%</i>	<i>5.08 - 72.6%</i>
SIX SEAT DISTRICTS		
St. Peter Port South	4.39 - 73.3%	4.56 - 75.9%
St. Sampson	4.51 - 75.2%	4.60 - 76.7%
West	4.79 - 79.8%	4.53 - 75.5%
South-East	4.81 - 80.2%	4.61 - 76.9%
<i>Average for six seat districts</i>	<i>4.63 - 77.1%</i>	<i>4.58 - 76.2%</i>
ISLAND-WIDE CONSEILLERS ELECTIONS		
1994 – 12 seats	8.39 - 69.9%	
1997 – 6 seats	4.16 - 69.3%	

APPENDIX 2

**USE BY CANDIDATES OF
SUBSIDISED POSTAGE SCHEME
IN 2008 GENERAL ELECTION**

District	N° of Electors	N° of House-holds	Postings by 2* or more Candidates	Postings by Single Candidates	Average number of items in each posting
St. Peter Port South	3,370	2,090	1	9	2,056
St. Peter Port North	4,476	2,649	5	4	2,878
St. Sampson	4,848	2,678	1	8	1,209
Vale	5,651	2,997	1	6	1,282
Castel	4,984	2,599	4	2	2,380
West	4,906	2,483	3	4	2,262
South-East	5,018	2,656	2	7	2,511
All Districts	33,253	18,152	17 #	40	2,088

(# - 38 candidates)

40 individual candidates posted a total of	64,820 envelopes
38 candidates in 17 groupings* posted a total of	<u>54,224</u> envelopes
Total number of items posted	<u>119,044</u>

The total cost of posting was	£41,072.46
Less paid by candidates	<u>£10,824.95</u>
Net cost to the States*	<u>£30,247.51</u>

* *The cost to the States only decreases when three or more candidates use the same mailing – two candidates using the same mailing is cost neutral. In the 2008 General Election only four of the mailings contained the manifestos of three candidates.*

APPENDIX 3

POPULATION
According to the Guernsey and Alderney Censuses of 2001

BY PARISH/ISLAND ETC.

St. Peter Port	16,488
St. Sampson	8,592
Vale	9,573
Castel	8,975
St. Saviour	2,696
St. Pierre du Bois	2,188
Torteval	973
Forest	1,549
St. Martin	6,267
St. Andrew	2,409
Herm and Jethou	97

59,807

ALDERNEY 2,294

62,101

BY PRESENT ELECTORAL DISTRICTS

St Peter Port South:			
St. Peter Port	7,746		
Herm & Jethou	<u>97</u>	7,843	
St. Peter Port North		8,742	
St. Sampson		8,592	
Vale		9,573	
Castel		8,975	
West:			
St. Saviour	2,696		
St. Pierre du Bois	2,188		
Torteval	973		
Forest	<u>1,549</u>	7,406	
South-East:			
St. Martin	6,267		
St. Andrew	<u>2,409</u>	8,676	
		<hr/>	<hr/>
		59,807	

APPENDIX 4

HOME DEPARTMENT

The Chairman
States Assembly and Constitution Committee
Sir Charles Frossard House
La Charroterie
St. Peter Port

15th October 2009

Dear Deputy Rihoy

Island Wide Voting

At a recent Board meeting, the Home Department discussed the consultation paper and it was agreed that the Board would make a formal approach to your Committee to present any areas of concern. These comments are limited purely to the potential impact on the Electoral Roll and do not reflect the individual views of members regarding the merit of Island-wide voting or otherwise.

The Board carefully considered Option C, believing it to be the most relevant to the Home Department and the Electoral Roll. I note, from your guidance notes on the internet, that the intention is that this option would be phased in over a period of time, with elections being held from 2012 on a district basis and then from 2014 onwards on an Island wide basis.

The Department has significant concerns over the introduction of these proposals in regard to the Electoral Roll. In order for any election to take place, an accurate and comprehensive Electoral Roll needs to be in place. Currently, although the work for the Electoral Roll is constantly ongoing, it is cyclic in nature becoming more resource intensive in the eighteen months leading up to the General Election. Adopting a General Election on a biannual basis would effectively place the Department permanently in the intensive run up to an Election and will significantly affect staff and financial resources.

This is a concern intensified by the current financial position affecting the States. As you may be aware, as part of the States Strategic Plan, the Department had put in a request for money to be allocated to the Electoral Roll for 2010, but this is not one of the eight priorities supported by Policy Council. This effectively puts the Department in an exceptionally difficult position. In order for an accurate and comprehensive Electoral Roll to be compiled, the Department requires the necessary resources, and I

would be unwilling to support any initiative which would increase the work associated with the Electoral Roll without strong assurances that the necessary resources will be in place.

Further, one of the recommendations of the post 2008 Election Report was the creation of a new Electoral Roll for each quadrennial Election. Although I am mindful that there are possible work streams around, such as the creation of a Population Office or a Citizen's Register, which may in the long run negate the need for an independent Electoral Roll, the creation of biannual Elections does cause me some significant concerns. The Department would be unable to create a new Electoral Roll each time- the employment of enumerators would make this unfeasible and I believe that requesting that the public resubmit their details so frequently would be unpopular and could cause some confusion. This would therefore mean that every other election would again be conducted using an inaccurate and out of date Electoral Roll.

I would be grateful if you could consider this submission as part of your consultation process. If you require any further information, please contact the Chief Officer, Home Department.

Yours sincerely

G H Mahy
Minister

APPENDIX 5

REPORT OF THE ELECTORAL REFORM SOCIETY

- (a) We note the Committee's instructions to undertake a comprehensive review of all practicable methods of introducing Island-wide voting. There are possible models for all-island voting, but unfortunately they all present significant practical difficulties, because of the size of the States of Deliberation, and the lack of political parties in Guernsey.
- (b) The first model would be to hold elections under a variant of First-Past-the-Post, called the **Multiple Non Transferable Vote (MNTV)**. This system is used for a number of local elections in England and Wales. Each voter has the same number of votes as there are seats to be filled. However, this means that the system is ill-suited to elections where a large number of seats are up for election. Under present circumstances in Guernsey, it would require a voter to place an 'X' beside as many as 45 candidates, a task that would quickly become laborious. In the event that an issue arose that split voters and candidates 60-40, the candidates in the majority viewpoint would tend to be elected, and there would be no guarantee of representation of the minority view.
- (c) One refinement of this process may be a '**Limited Vote**' system, whereby voters may be given a set number of votes - say six or seven as at present – and could thereby place an 'X' next to their most favoured candidates. However the mechanics of the system mean it would have the potential to produce perverse and unrepresentative results. There would also be the danger that not all 45 seats would be filled, particularly if most votes gravitate towards a handful of popular candidates.
- (d) A second possibility would be the **Single Non Transferable Vote system (SNTV)**. This system would give each voter one vote, and they would simply be required to place an 'X' next to the candidate of their choice. The 45 candidates who gained most votes would be elected. This is perhaps the most theoretically feasible of the Island-wide models. However, it has clear limitations. Firstly, it places large restrictions on the ability of voters to exercise any real choice between candidates. Whereas at present voters have seven votes to choose seven members, under SNTV they will be limited to one vote, with little or no say over which of the other candidates they would like to see elected or not. In addition, SNTV would present a logistical problem in that voters would be choosing between as many as 82 candidates. Again, such a task could quickly become laborious, and an element of random luck could enter the equation – voters simply opting for the name at the top of a long and daunting list. There would again also be the danger of not all posts being filled if votes gravitate towards popular candidates.
- (e) A third possibility for a national constituency would normally be a **proportional list system**. These are used in countries operating a nationwide constituency

such as the Netherlands and Israel. Unfortunately, it is virtually impossible to operate in a culture where no political parties operate. In the Netherlands and Israel, the vast majority of votes are cast for a party, and seats are thus allocated in strict proportion to the number of votes gained by each party. Voters thus have a limited number of choices between the parties standing for election. In Guernsey this will be impossible to implement unless candidates form parties or electoral blocs, which would enable seats to be allocated proportionately according to the number of votes each group receives.

- (f) The fourth possibility would be to use the system that the Electoral Reform Society advocates, the **Single Transferable Vote (STV)**. STV allows voters to rank candidates in order of preference, and allows seats to be allocated proportionately based on multi-member seats. It would be theoretically possible to operate STV on a nationwide constituency, but again it would be a laborious process, requiring voters to rank as many as 82 candidates in their order of preference. This is unlikely to be popular with voters.
- (g) In short therefore, a nationwide constituency system could only feasibly operate in Guernsey if one of the following conditions were met:
 - Candidates coalesced into political parties, or (at the very least) electoral blocs
 - There were fewer seats to be filled (however any more than twenty seats would make any of the above systems problematic, and a twenty-member assembly would not seem appropriate).
- (h) The Electoral Reform Society therefore recommends that the Committee consider alternative models based on the present electoral districts. The system that we believe would best represent the views of Guernsey voters is the Single Transferable Vote, based on the current seven electoral districts. Voters would be asked to elect between six and seven members for each district by ranking candidates in order of preference. Those candidates who reached the following 'quota' of required votes would be elected:

$$(\text{Number of votes cast}) \div (\text{Number of seats in the electoral district} + 1) + 1$$
- (i) If any candidate reaches the required quota on the basis of first preference votes (those votes ranking the candidate first), the candidate is declared elected and its surplus votes (the number of votes over and above the quota) are redistributed in proportion to the second preferences indicated by voters. Once the surpluses of all elected candidates are redistributed, the votes of the candidate with fewest votes are also redistributed according to the next preference. The process continues until all seats have been filled by candidates reaching the quota. If one seat remains to be filled and there are two candidates remaining short of the quota, the remaining candidate with the most seats takes the final seat.

- (j) The system operates successfully in Northern Ireland, the Republic of Ireland, Malta, Australia, and, from May 2007, local elections in Scotland. The Electoral Reform Society advocates it because it gives maximum power to voters, and is more representative of their views than First-Past-the-Post, which can tend to produce skewed results in favour of the 'largest minority'. If STV was based on the current electoral districts, the problems mentioned above would be alleviated, since voters would only be required to choose between 10-12 candidates each – a far more feasible prospect. STV elections to the Northern Ireland Assembly for instance elect six members per constituency, and voters choose between an average of fifteen candidates. However, STV could also easily work based on smaller electoral districts, electing between four and six members per constituency as in the Republic of Ireland. However the Committee should note that the more seats per district, the more representative the result will be. It is purely a matter of balance between proportionality and practicality – any more than seven seats to fill and the number of candidates to choose from would once again become a laborious process.

STUART STONER
Parliamentary Officer

31st January 2007

APPENDIX 6

POLITICAL PARTIES

- i. This brief note on political parties is included because in several places in the principal report it is stated that the absence of political parties has the effect of reducing the choice of possible electoral systems for Guernsey. The Committee is certainly not suggesting that political parties be introduced simply to facilitate any particular electoral system. It is not the function of any parliament to engineer the foundation of a party system.
- ii. Political parties – that is groups of people who hold similar political aims and opinions who have organized, usually to contest elections so that they might form a government – have never been part of the political scene in Guernsey. From time-to-time parties have emerged but their existence has been short-lived and only very seldom have party representatives been successful in contesting seats in the States of Deliberation.
- iii. In jurisdictions which have no political parties government is, of necessity, consensual and Guernsey is no exception in this regard. Indeed this has long been held out as one of the reasons why the Island has had a sound and stable government for many years. Each and every Member of the States, whether or not a minister, is effectively a member of the government. No proposition can succeed without the consent of a majority of the Members which means that no department or committee of the States can be certain of gaining States' approval in respect of any particular proposition.
- iv. In a party system, however, the government is formed by the party securing most votes in a general election (or, if no party has secured a majority of the seats, by an alliance of parties). Members of the party are generally required to vote in accordance with party policy which will have been set out in the party's election manifesto published prior to the election. It can be argued that where there is no majority government the alliance of parties which form the government governs by consensus, but it is not fully consensual as the views of the minority who are not in government need not necessarily be taken into consideration. An alliance of parties is often necessary in jurisdictions in which a proportional representation voting system is used as it is seldom that one party alone secures a majority of the seats available.
- v. The submission from the Electoral Reform Society contains several references to the absence of a party system in Guernsey and the constraints which that places on the range of electoral systems which might be adopted. Paragraph 51¹⁹ of the report notes that several of the jurisdictions listed do have party systems. One such jurisdiction is Gibraltar.

¹⁹ of the 1st Report (Billet d'État I of 2009)

- vi. In Gibraltar there are 17 seats and each elector has a maximum of 10 votes. Each political party tends to nominate ten candidates in the hope of securing 'block votes'. Independents may stand but usually find it difficult to secure sufficient votes to be elected. In the October 2007 general election the Gibraltar Social Democrats secured 10 seats, the Gibraltar Socialist Labour Party four seats and the Gibraltar Liberal Party three seats. The Progressive Democratic Party and two independents failed to obtain any seats.
- vii. In most jurisdictions which have political parties provision is made for candidates to state on the ballot paper, in addition to their names, the title of their political party or else they are permitted to display the emblem of the political party.
- viii. The presence of political parties allows more flexibility in the choice of the method of election of the members of parliament and also results in greater certainty in the delivery of policy but this is balanced in non-political party jurisdictions with the freedom of each member to vote according to conscience rather than being obliged to hold to party policy.

**MINORITY REPORT
SUBMITTED BY DEPUTY I F RIHOY**

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

17th December 2010

Dear Sir

1. I rather regret that I find myself in the unenviable position of having to present a minority report to a report of the States Assembly and Constitution Committee, of which I am Chairman. I do so after considerable thought and only because I feel very strongly about the area of policy addressed by the report: island-wide voting.
2. Since before my election to the States of Deliberation in 1985, I have been of the opinion that Members of the States should be elected on an island-wide basis. Indeed, it was following a successful amendment proposed by me that on the 27th April, 2006, the Assembly resolved: *“To direct the [then] House Committee to undertake a comprehensive review of all practicable methods of introducing Island-wide voting for the office of People’s Deputy, and to report back to the States in sufficient time to enable the introduction of such a system with effect from the General Election to be held in 2012.”*.
3. On the 28th January, 2009, the States of Deliberation debated the States Assembly and Constitution Committee’s first report on island-wide voting – which had been submitted pursuant to Rule 12 (4) – and resolved: *“To note the Report and to direct the States Assembly and Constitution Committee to report further to the States with detailed proposals regarding the election and constitution of the States of Deliberation which will take effect from the General Election to be held in 2012.”*. In fulfilling this States Resolution, the Committee presented proposals to the June, 2010 meeting of the States of Deliberation, but on 1st July, 2010 the Assembly approved a successful sursis motiv  , the terms of which are fulfilled by this latest detailed Report submitted by the Committee and to which this minority report is attached. Although I take a different view to the majority of the Committee in respect of the propositions to be put before the Assembly, I wish to make it clear that the Committee is of one mind in believing that its Report is as thorough and as comprehensive as possible.
4. During the debate of June, 2010 it emerged that many Members of the States continued to favour some form of island-wide voting for the office of People’s

Deputy. However, I sensed then, and continue to judge now, that a majority of States Members are not prepared to support the introduction of island-wide voting for all 45 People's Deputies, which is the model of Island-wide voting favoured by three of the five members of my Committee and which accordingly the Committee is recommending to the States. My view is that a greater number of States Members, and indeed a considerable proportion of our community, may be more disposed towards introducing an element of island-wide voting, i.e. having at least some People's Deputies elected on an island-wide franchise. This would represent a form of compromise between those who wish for island-wide voting for all people's deputies and those who do not favour fully abolishing the present district-based electoral system.

5. Therefore, in this minority report I wish to propose an electoral system whereby around one-quarter of People's Deputies would be elected island-wide and about three-quarters would continue to be elected within districts. Aside from the matter of seeking a pragmatic proposal to put to the States, there is one overriding reason for my favouring an alternative scheme to that recommended by the majority of my Committee: I consider that it would be impractical, indeed possibly even unworkable, to organise an Island-wide election for all 45 People's Deputies in a little more than a year's time and in a political system which features neither political parties nor cabinet government.
6. The basics of the alternative scheme which I am proposing are set out in paragraphs 7 to 13 below. A more detailed analysis of the scheme is actually included in part ii, section vii of the Committee's Report to which this minority report is attached, although as with any form of Island-wide voting which the States may choose to introduce the precise mechanics will be the subject of further consideration as part of a pre-2012 General Election Report which the Committee is obliged to lay before the Assembly.
7. I envisage two elections being held for the following offices:
 - **10 Island Deputies; and**
 - **35 District Deputies.**
8. The 35 district-based seats would be distributed equally among the existing electoral districts, i.e. five district deputies for each of St Peter Port South, St Peter Port North, St Sampson, Vale, Castel, South-East and the West.
9. The elections for 10 island deputies and 35 District Deputies would not take place on the same day. The election for District Deputies would take place approximately one month after the election for Island Deputies. It would be possible for a candidate who stood unsuccessfully for the office of Island-wide Deputy to stand a month or so later for the office of District Deputy. Introducing restrictions to force candidates to choose to stand for one or other office would seem to me unacceptably and unnecessarily undemocratic.

10. Given that the ratio of district seats to island-wide seats would be 3.5:1, I have assumed that the candidates would likely be in a similar ratio, in which case it is possible that there might be 22 candidates in the island-wide election (for 10 seats) and 77 in the seven district elections (for a total of 35 seats). As an indicative guide, in 1994 26 candidates contested the 12 seats for the office of Conseiller, which was, of course, an island-wide election.
11. Electors would be able to cast their votes at any polling station situated in the electoral district in which they reside. The first election would be for **Island Deputies and the second for District Deputies.**
12. It is quite plain that under the proposals being put by the Committee, the traditional 'hustings' would cease to exist. 90 or 100 candidates cannot possibly participate in one 'hustings' on one platform at the same time. However, the alternative scheme which I am proposing allows traditional 'hustings' to continue, for the office of District Deputy, and in a slightly modified form (i.e. over two meetings rather than one) for the office of Island Deputy. I consider this a very significant advantage: 'hustings' are a valuable way of candidates engaging with the electorate, not least of all because they test the credentials of candidates in answering questions against each other and under a degree of pressure. One to One surgeries where the electorate can meet and discuss issues on a one to one basis could still be used during both elections.
13. Seating arrangements will be at the discretion of the President/Presiding Officer however I would recommend that all Island Deputies will sit on the top bench regardless of what position they might hold after the election of Department Ministers and Chairmen as was the position in 1991, when Presidents of major committees did not always sit on the top bench.
14. In respect of the eligibility of candidates for both offices, I envisage no need for restrictions further to those which apply already for the office of People's Deputy.
15. The scheme which I am proposing reflects my judgement that the vast majority of Guernsey people who take an interest in political matters strongly favour some form of island-wide voting, and speaks to my view that introducing an element of island-wide franchise would strengthen the legitimacy of the island's government, but it also overcomes all of the logistical problems and weaknesses which are inevitable, and essentially cannot be overcome, in a scheme in which all 45 People's Deputies are elected island-wide and at the same time.
16. I do not believe that electronic counting is a necessity with regard to this particular scheme and I have not, therefore, made any provision in that regard in the figures contained in the following paragraph.

17. I have sought advice from the Registrar-General of Electors regarding the cost of this scheme. I am informed that the estimated cost is as follows:

10 Island Deputies

General costs	£35,000	
Manifesto distribution	<u>£11,000</u>	£ 46,000

35 District Deputies

General costs	£41,000	
Manifesto postage	<u>£24,000</u>	£ <u>65,000</u>

£111,000

18. It is my intention to propose an amendment to the propositions set out in the Billet d'État. In accordance with this minority report, my amendment will propose that with effect from 2012 there should be 10 Island-wide Deputies elected for a four-year term and 35 District Deputies elected for a four-year term.
19. As the figure of £111,000 falls within the budgetary provision for elections, i.e. £120,000, the amendment which I shall be proposing will not be subject to the provisions of Rule 15 (2) of the Rules of Procedure.

Yours faithfully

I F Rihoy

The States are asked:-

VII.- Whether, after consideration of the Report dated 17th December, 2010, of the States Assembly and Constitution Committee, they are of the opinion:-

1. That the Reform (Guernsey) Law, 1948, as amended be further amended to provide that with effect from the General Election to be held in 2012 there shall be 45 Deputies elected Island-wide for a four-year term and that the candidates in Island-wide elections shall be entitled but not obliged to have their manifestos distributed at the expense of the States by means of an election publication, the cost of which will be borne by the candidates.
2. To direct the States Assembly and Constitution Committee to report to the States with detailed proposals relating to the procedure at, and conduct of, such elections.

**IN THE STATES OF THE ISLAND OF GUERNSEY
ON THE 24TH DAY OF FEBRUARY, 2011**

(Meeting adjourned from 23rd February, 2011)

**The States resolved as follows concerning Billet d'État No III
dated 14th January 2011**

STATES ASSEMBLY AND CONSTITUTION COMMITTEE

ISLAND-WIDE VOTING – 3rd REPORT

VII.- After consideration of the Report dated 17th December, 2010, of the States Assembly and Constitution Committee:-

1. TO NEGATIVE THE PROPOSITION that the Reform (Guernsey) Law, 1948, as amended be further amended to provide that with effect from the General Election to be held in 2012 there shall be 45 Deputies elected Island-wide for a four-year term and that the candidates in Island-wide elections shall be entitled but not obliged to have their manifestos distributed at the expense of the States by means of an election publication, the cost of which will be borne by the candidates.

**D J ROBILLIARD
HER MAJESTY'S DEPUTY GREFFIER**



GENERAL ELECTION OF PEOPLE'S DEPUTIES

23rd April, 2008 45 PEOPLE'S DEPUTIES

put X here

put X here

put X here

ADAM, Alexander Hunter		GORVEL, David John		PAINT, Barry John Edward	
BARHAM, Andrew Bernard		GREGSON, Robert William		PARKINSON, Charles Nigel Kennedy	
BICHARD, Andrew Leonard <i>commonly known as Andy</i>		GUILLE, Graham		PLUMLEY, Robert	
BISSON, Roy Henry		HADLEY, Michael Peter James		QUERPEL, Laurie Bryn	
BREHAUT, Barry Leslie		HARRIS, Brian		QUERPEL, Lester Carlson	
BROOKS, Stephen Gary <i>commonly known as Steve</i>		HENDERSON, Rosemarie Anne		QUIN, Francis William	
BROOME, Robert John		HONEYBILL, Jack		RIHOY, Ivan Frederick	
BROUARD, Alvord Henry <i>commonly known as Al</i>		JONES, David Brian		ROBERTS, Ivan Goman	
BURTENSHAW, Peter John		KNIGHT, Jean Evelyn Mary		SILLARS, Robert William	
BYROM, Joanna Hazell Moiya <i>commonly known as Mimi</i>		KUTTELWASCHER, Jan		SIRETT, Peter Raphael	
COLLINS, Michael Wynne <i>commonly known as Mike</i>		LAINÉ, Marc Svein		SMITH, Glen Anthony	
CORBIN, Raymond Anthony <i>commonly known as Tony</i>		LANGLOIS, Allister Hurrell		SPINKS, Jo-Anne <i>commonly known as Jo</i>	
COTTERILL, Susan Mary <i>commonly known as Sue</i>		LANGLOIS, Shane Lenfestey		SPRUCE, Anthony <i>commonly known as Tony</i>	
CRANCH, David Donald		LEIGH, Peter Beau		STEERE, Carol Ann	
CRISPINI-ADAMS, Vanessa Madeleine		LE LIÈVRE, Andrew Robert		STEPHENS, Tania Jane <i>commonly known as Jane</i>	
DE JERSEY, Brian Richard		LE NOURY, Leonard Frank <i>commonly known as Nara</i>		STOREY, Martin John	
DE LISLE, David de Garis		LE PELLEY, Thomas Mansell <i>commonly known as Tom</i>		TASKER, Jennifer Mary <i>commonly known as Jenny</i>	
DOMAILLE, Paul Ernest Fox		LE PREVOST, Stephen Hugh		TIDD, Gillian	
DOMAILLE, Roger		LE SAUVAGE, Janine Michelle		TOSTEVIN, Keith William	
DOREY, Mark Hirzel		LOWE, Mary May		TROTT, Lyndon Sean	
DUDLEY-OWEN, Gloria Pearl		MAINDONALD, Samantha Jane		VAN KATWYK, Lee	
DU PORT, Peter Michael		MAHY, Geoffrey Hubert		WALKINGTON, Anthony Michael	
DUQUEMIN, John		MARSON, Lorraine Simon		WATERMAN, Matthew Michael <i>commonly known as Matt</i>	
FALLAIZE, Matthew James		MATTHEWS, Robert Rhoderick		WEBBER, Anthony David Canivet <i>commonly known as Tony</i>	
FLOUQUET, Bernard Marcel		M ^C MANUS, Sean Joseph		WHITFORD, Richard Henry	
GALLIENNE, Leon Roy		M ^C NULTY BAUER, Carla Steve		WILEN, Keith Laurence	
GARRETT, Michael Guy Gordon		MORGAN, Wendy Jane		WILKIE, Arrun Michael	
GILLSON, Peter Leonard		O'DOHERTY, Christopher		WILSON, Peter John Barry	
GOLLOP, John Alfred Bannerman		OGIER, Scott John		YOUNG, Gordon Edward	
		O'HARA, Michael George			

(NB The Treasury and Resources Department is limiting its comments to the resource implications of the Requête. The costs of running an island-wide election along the lines outlined in the Requête should be broadly similar to those incurred under the current electoral district system. However, Members are of the view that there could be some benefits, including potential cost savings and improving engagement with the electorate by the use of technology, including electronic voting.)

(NB The Policy Council has discharged its functions in accordance with Rule 17 (2) of the States of Deliberation by consulting with the parties particularly interested in the prayer of this Requête and notes all of its consultees' comments included above. Given its responsibility to advise the States on matters relating to the Parishes, the Council is able to confirm that it has consulted, within the limited time available, with all of the Douzaines. The prayer of the Requête was also further considered during a Douzaine Liaison meeting on 17th January 2014.

The Policy Council notes that the States Review Committee intends to present to the States Assembly its proposals relating to the overall structure of the States in July 2014. The Policy Council by a majority is therefore of the view that the timing of this Requête is premature, given that aspects of the States Review Committee's mandate is contiguous with the prayer of this Requête, in particular paragraph (b) of its Mandate which relates to *"the membership and operation and effectiveness of the States of Deliberation"*. The Council is mindful of the States Assembly and Constitution Committee's views supporting the postponement of debate on this matter until after the States have considered the States Review Committee's proposals for reform. As such, it would be untimely for the Policy Council to comment in detail on the prayer of the Requête.

Ministers have indicated that they may wish to express their personal views on the prayer of the Requête during debate.)

The States are asked to decide:-

XVII:- Whether, after consideration of the undated Requête signed by Deputy M. P. J. Hadley and six other Members of the States, they are of the opinion:-

1. That with effect from the 2016 General Election, all deputies shall be elected on an island-wide basis and all voters shall have the same number of votes as there are deputies' seats.
2. To direct the States Assembly and Constitution Committee to report to the States as expeditiously as possible with the changes necessary, including changes to legislation, to give effect to Proposition 1.

COMMERCE AND EMPLOYMENT DEPARTMENT

ANNUAL REPORT OF THE DIRECTOR OF CIVIL AVIATION

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

22nd April 2014

Dear Sir

The Aviation (Bailiwick of Guernsey) Law, 2008 provides, in section 10, that the Commerce and Employment Department is required to submit the Annual Report of the Director of Civil Aviation to the States of Guernsey.

I am pleased to enclose a copy of his report for the period 1 January to 31 December 2013.

The Department has no further comment to make on the report by the Director of Civil Aviation.

I would be grateful if you would arrange to publish this submission as an Appendix to the July Billet.

Yours faithfully

K A Stewart
Minister

A H Brouard
Deputy Minister

D de G De Lisle
L B Queripel
H J R Soulsby
States Members

Advocate T Carey
Non States Member

BAILIWICK of GUERNSEY DIRECTOR OF CIVIL AVIATION

Annual Report for 2013

Foreword, by the Director of Civil Aviation – Fergus Woods

This report is delivered in accordance with section 10 of the Aviation (Bailiwick of Guernsey) Law, 2008.

In 2013 further significant progress was achieved in developing our compliance with the European standards for aviation security. This will lead to our formal recognition by the European Commission at some point during the first half of 2014. We also remain compliant with the UK's more stringent measures. These steps ensure our continued recognition as a UK domestic airport thus easing the flow of passengers to and from UK airports and the Island.

Guernsey's aircraft registry commenced operations in December 2013 according to plan. It is operating under the name of the Channel Islands Aircraft Registry because of its origins as a joint project with Jersey and, importantly, because it provides an equal service to owners of aircraft in all of the Channel Islands. However, its main focus is to capture the global private and corporate jet market along with the lessor market. No doubt, more detailed information will be forthcoming after a full year of operations in 2014.

The operations of the Bailiwick airports In Alderney and Guernsey, together with co-operation with Jersey in the management of the surrounding airspace contributed to a continuing high level of safety for those flying here, whether as passengers in commercial air transport or as private operators. Following an extended period of design and consultation, various element of the Airspace change programme are on the point of being delivered. Early in 2014 airspace users will notice the reclassification of the existing Channel Islands Control Zone. The most notable change being the extension of Class D airspace from the surface to 8,000 feet, with Class A airspace above that. This change will make life somewhat easier for general aviation pilots operating here without an instrument rating.

Copies of previous reports and other regulatory information is available on the States website at <http://www.gov.gg/dca>

F Woods

Director of Civil Aviation for the Bailiwick of Guernsey

March 2014

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- 1. DCA Principal Responsibility – Compliance with International Standards**
- 2. Co-operation with Jersey**
- 3. Aircraft Registry Project**
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- 5. Aviation Security**
- 6. DCA Functions**

Appendix 1: Guernsey State Safety Programme – Part 1 Overview

Appendix 2: Guernsey Safety Programme – Part 2 Safety Plan

1. DCA Principal Responsibility – Compliance with International Standards

The report for 2012 included a detailed description of the functions of the DCA and explained his key responsibility to ensure compliance with international standards as set out under the Chicago Convention of 1944 and associated Annexes. Guernsey, in common with the other Crown Dependencies (CDs), is committed to maintaining these standards through a memorandum of understanding with the UK Government (Department for Transport).

At a working level the CDs liaise with the international unit in the UK Civil Aviation Authority (CAA) to demonstrate how we comply with international standards. During 2013 we commenced the task of updating our State Aviation Activity Questionnaire (SAAQ), a number of our Safety Compliance Checklists and publishing a State Safety Programme (see Appendix 1 and 2).

2. Co-operation with Jersey

The shared DCA role with Jersey, incorporating the Aviation Security Regulatory function, continued successfully during 2013; being an example of joint working between the Islands which is not only more efficient and effective but also saves taxpayers' money in both jurisdictions.

3. Aircraft Registry Project

2013 could well be described as the year of the "Channel Islands Aircraft Registry". A huge effort from all involved with the project delivered completion of the Development Phase and commencement of operations on 9 December 2013.

Unfortunately, not every development during the year was positive. Despite considerable efforts to make a joint approach with Jersey achievable and successful, this aspect finally failed in September 2013 when there was a mutual agreement that the differences between the islands were too fundamental to resolve. Guernsey confirmed that it would proceed with its project to operate the "Channel Islands Aircraft Registry". Jersey opted to initiate a project to create a separate Jersey Aircraft Registry.

On the plus side, notable achievements in 2013 leading to the commencement of operations included:

Legislation / Regulations

- The passing of the Air Navigation (Bailiwick of Guernsey) Law, 2012 and the Aviation (Amendment) (Bailiwick of Guernsey) Law, 2012 by the Privy Council in June 2013
- The passing of the Aviation (Guernsey) Law, 2013 by the Privy Council in October 2013
- The Aviation Registry (Eligibility) Regulations, 2013
- The Aviation Registry (Fees) Regulations, 2013
- The Air Navigation (fees) Regulations, 2013
- Development and publication of the detailed requirements for aircraft to be registered, known as the Guernsey Aviation Requirements or GARs.

Other

- Agreement on an insurance policy to cover the contingent liability of paying the costs of aircraft accident investigations for aircraft registered on the Channel Islands Aircraft Registry (State of Registry responsibility)
- The establishment of a joint office (located at the Airport) for the DCA and SGI Guernsey Ltd.
- Acceptance and confirmation of the prefix “2-” for the new registry, enabling an attractive choice of unique personalised registrations for aircraft owners using the registry.
- Agreement on the branding and logo of the Channel Islands Aircraft Registry as the “2-REG” www.2-reg.com
- Successful completion of a pre-operational audit of the Registry’s function and capabilities by the UK Civil Aviation Authority
- Conclusion of an Operational Contract between Guernsey and the service supplier, SGI Aviation Guernsey Ltd.
- Approval by the Treasury & Resources Department of the registry’s Business Case.
- Public launch ceremony on 9 December including the award of the initial Certificates of Registration to the first four aircraft to be registered on the 2-REG.

The CIAR is now well established and building a strong reputation for flexible and responsive service alongside its growing client base.

4. Miscellaneous Activities

New Radar

The replacement radar project for Guernsey suffered some delays during 2013, but, by the end of the year, the majority of the installation works had been completed, as had the acceptance flight checking and controller training. Prior to formal acceptance we will need to have received a satisfactory report on the flight acceptance trials along with the final safety cases for the

equipment. These are anticipated to be delivered by the end of Q2 2014.

Airport Noise Review

From August onwards the Airport had been receiving a significant increase in the level of complaints about noise generated by aircraft. The majority of complaints related to aircraft departing towards the West on Runway 27 and came from residents located to the South and West of the Airport. The DCA was requested by the Public Services Department to conduct an independent review of the complaints as a way of trying to manage what was becoming a very difficult situation for the Airport to deal with on their own. The DCA delivered his report and recommendations in December. It is anticipated that the Airport will act on a number of the recommendations during 2014 once they have completed the necessary public consultations prior to making any changes to the noise abatement and departure and arrival procedures.

5. Aviation Security

The introduction in the UK of the Civil Aviation Act, 2012 will transfer many of the aviation security roles and responsibilities, currently carried out by the Department for Transport (DfT), to the Civil Aviation Authority (CAA). This transfer will take place in April 2014. Consequently, discussions have been ongoing during the second half of 2013 with the DfT to finalise the way in which the CAA will deliver the functions, currently undertaken by the DfT, to the Crown Dependencies (CDs). These responsibilities include the provision of aviation security assistance and advice, as well as compliance monitoring and regulatory guidance including the EU.

The joint role of the Aviation Security Regulator for both Jersey and Guernsey has been a distinct advantage in helping to position the Islands during these discussions, so that a transparent relationship with access to regulatory advice and guidance has been established. At the same time we have ensured recognition of the quality control measures already in place in the Channel Island as the basis for an appropriate level of monitoring to be agreed under the new arrangements. The discussions with the DfT and the CAA are due to be concluded by the end of March 2014.

The Aviation Security (Guernsey) Direction 2012 was amended in 2013. Such amendments are likely to occur on an annual basis as the regulations change to adapt to the latest threats and respond to the introduction and recognition of the latest technology. It is important that Guernsey and Jersey maintain equivalent measures.

In October a joint application was made to the EU for recognition by The European Commission of the equivalence of the Channel Islands aviation security standards. The EU Commission undertook its assessment visits in November, accompanied by the Security Regulator and the DfT. The assessment, after the subsequent rectification of two small differences, confirmed that the aviation security measures were equivalent to EU requirements in both Jersey and Guernsey.

The subsequent report of the inspection by the Commission Inspector is to be presented to the Security Committee of the European Commission early in 2014 and the announcement of the decision to recognise the equivalence of the aviation security standards of Jersey and Guernsey to European standards is expected to be made sometime in the Spring 2014.

A similar process and outcome has been undertaken in the Isle of Man

Under the shared arrangements with Jersey the standardised approach to aviation security

continues to work to the advantage of the passengers and airlines as well as the airports.

6. DCA – Functions

a. Regulate the Safety of Aerodromes, Air Traffic and Air Transport Services

Aerodrome – Notably, the Guernsey Airport Pavement Project delivered all of its completed work packages by November 2013. These included:

- Runways 09 and 27 Approach lighting in July and August
- Aerodrome Ground Lighting (AGL) in September
- Runway – completed August
- Aprons – final phase September
- Taxiways – completed September
- Drainage – November
- Nav aids – August, (Runway 27 Glidepath December)

The project will end during 2014 when the contractor completes the restitution of the grass areas around the airfield and clears the outstanding ‘snagging’ list.

An audit of the aerodrome and Rescue and Fire Fighting Service took place in December 2013 as part of a 15 month rolling programme of formal audit and inspection of the facilities conducted with the assistance of expert inspectors from the UK Civil Aviation Authority. There were no major findings. However, the inspection of Alderney’s runways confirmed existing concerns about the continued use of the grass runways, in particular, as a result of the extended periods of wet weather during the latter part of the year. Consequently, it was decided to suspend the use of the grass runways until an improvement work programme had been undertaken.

Air Traffic Services – An audit of the Air Traffic Control Unit was conducted in October 2013 with advice and assistance of an air traffic control expert from the UK Civil Aviation Authority. The result was entirely satisfactory, with only a few comments and minor recommendations being made. The visit also provided the CAA their opportunity to maintain continuous oversight as the licensing authority for the air traffic controllers operating in Guernsey and Alderney.

b. Permissions and Exemptions

In common with previous years, the DCA handled a number of requests for permissions under the Aviation Law and exemptions from it for unusual or one-off aviation activities.

c. Fees and charges

Two sets of fees regulations were published in November 2013; both associated with the commencement of operations of the Channel Islands Aircraft Registry:

- The Air Navigation (Fees) Regulations 2013
- The Aviation Registry (Fees) Regulations 2013

d. Trend Analysis – Aircraft Accidents and Serious Incidents

There was one significant aircraft accident in the Bailiwick in 2013. On 03 November 2013 the Channel Islands Air Search aircraft, the Britten-Norman BN-2 Islander, G-CIAS, suffered a loss of power on both engines while on an operational search task to the North of Jersey, which resulted in the aircraft making a forced landing on Jersey's Northern cliffs. Fortunately, none of the five-person crew suffered any serious injury. However, the aircraft was severely damaged and has since been written-off after salvaging all usable and undamaged equipment.

The accident was the subject of a full field investigation by the UK Air Accident Investigation Branch. Their report and recommendations are anticipated to be published during 2014.

e. Aviation Advice

The DCA provided general aviation information and advice to the Department and the States during the year. There were two main external events involving our relations with the UK government.

The first was in May 2013 when the DCA participated in the annual Aviation Policy Consultative Conference. Originally organised for the Overseas Territories, in 2013 the Crown Dependencies were invited for the first time. Later in the year a joint delegation from Guernsey and Jersey met with the newly appointed UK Director General of Civil Aviation and her team to discuss Channel Island focused issues including our strategic air links, the establishment of aircraft registries and the impact of the EU Emissions Trading Scheme.

State Safety Programme

for the

Bailiwick of Guernsey

Part 1 - Overview

1 Executive Summary

(a) Part 1 of The State Safety Programme for the Bailiwick of Guernsey (“the Bailiwick”), a United Kingdom Crown Dependency, includes a description of the regulatory framework and activities carried out to ensure Guernsey meets its obligations to the UK, as the Contracting State, to achieve compliance with the Chicago Convention and associated Annexes.

(b) The Aviation (Bailiwick of Guernsey) Law 2008, as amended, established the independent Office of the Director of Civil Aviation (DCA) and sets out his main functions and the scope of his powers

(c) The Bailiwick of Guernsey’s Civil Aviation Legislation is based on the UK system but is not identical. The Bailiwick of Guernsey makes its own decisions on the method of adopting individual requirements whilst always with the objective of maintaining ICAO compliance.

(d) The State Safety Plan for the Bailiwick of Guernsey (Parts 1 and 2) incorporates the 8 critical elements of a State’s safety oversight system defined by ICAO.

(g) By these means the UK Government can be assured, and demonstrate as required, that the aviation industry of the Bailiwick of Guernsey is meeting the agreed international standards and that there is adequate regulatory oversight of the industry.

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3 Change history

Change to this document will be achieved by a re-issue of the entire document rather than by the amendment of individual pages.

Issue No	Date	Description
Initial	March 2014	Annual Report 2013

4 Terminology

For the purposes of this document:

State safety programme means an integrated set of regulations and activities aimed at improving safety.

Safety performance indicator is a measure (or metric) used to express the safety performance in a system.

Safety performance target is the desired level of safety performance. A safety performance target comprises one or more safety performance indicators, together with desired outcomes expressed in terms of those indicators.

Note: ICAO Doc.9859 Safety Management Manual describes safety performance indicators and safety performance targets within the concept of an "acceptable level of safety". This concept is used to express safety expectations under a performance-based approach that is designed to complement regulatory compliance.

Safety initiatives are the steps that need to be taken to achieve the safety performance targets. They include the operational procedures, technology systems and programmes to which measures of reliability, availability, performance and/or accuracy can be specified.

Note: Safety initiatives are referred to in ICAO Doc.9859, as "safety requirements".

A **hazard** is any situation or condition that has the potential to cause damage or injury.

Risks are the potential adverse consequences of a hazard, and are assessed in terms of their severity and likelihood.

When risks have been assessed, mitigation is then needed: either to eradicate the hazard, or to reduce the severity or likelihood of the risks.

5 Purpose of this Document

- (a) The Safety Programme for the Bailiwick comprises two parts: Part 1 'Overview' and Part 2 the 'Safety Plan'. This document is Part 1.
- (b) ICAO Annex 19 sets the requirement for States to establish a safety programme, in order to achieve an acceptable level of safety in the operation of aircraft, the maintenance of aircraft, the provision of air traffic services and aerodrome operations.
- (c) While ICAO currently restricts its requirements for safety programmes and safety management systems (SMS) to Annex 19, the Bailiwick will ensure that it follows and extends all further changes to ICAO Standards and Recommended Practices (SARPs).
- (d) Therefore, the purpose of this document is to describe:
 - the civil aviation legislation that is unique to the Bailiwick, and, whilst similar in many aspects, is not identical to the laws and regulations applicable under the United Kingdom (UK) and European system;
 - the Bailiwick's regulatory framework, thereby enabling visible linkage between national regulatory planning and an operator's/service provider's SMS;

and to demonstrate:

- the integration of the diverse, multidisciplinary safety regulatory activities into a coherent whole;
- that adequate provisions are being made for the safety regulation of the aviation system within the Bailiwick, and that, as a consequence, the UK is meeting the requirements of the larger global aviation system;

- that regulatory, oversight and enforcement functions are in place;
- compliance by the Bailiwick's aviation authority, The Director of Civil Aviation (DCA), with ICAO SARPs;
- that a performance-based approach to aviation safety is being actively promoted, to complement regulatory compliance.

6 Background

- (a) The UK is a signatory to the Convention on International Civil Aviation (the Chicago Convention) and, therefore, agrees to comply with the SARPs published by ICAO in the Annexes to the Convention. The UK's signature also covers aviation regulation for the UK Crown Dependencies (CDs) which includes the Bailiwick of Guernsey.
- (b) The Aviation (Bailiwick of Guernsey) Law 2008, as amended, establishes the independent Office of the Director of Civil Aviation (DCA) and the extent of his powers. It also has the power to give effect to the Chicago Convention, to amend some aspects of air navigation regulations by Ordinance, and provides a sound legal framework for enabling the adoption of the UK Civil Aviation Authority (CAA) advice, recommendations and publications.
- (c) Primary responsibility for civil aviation safety regulation within the Bailiwick rests with the Director of Civil Aviation (DCA).

7 Safety Regulatory Framework – Objectives and Criteria

- (a) The State Safety Programme (SSP) for the Bailiwick includes a description of the regulatory framework and activities carried out to ensure Guernsey meets its obligations to the UK, as the Contracting State, to achieve compliance with the Chicago Convention and associated Annexes. The SSP is designed to be proportionate to the level of aviation activity in the Bailiwick.
- (b) A Memorandum of Understanding (MoU) between the UK Department for Transport (DfT) and the DCA is in place to assist both parties in meeting their obligations under the Chicago Convention. The MoU includes the obligation on Guernsey to arrange from time to time for external audits of its safety oversight obligations.
- (c) By these means the UK Government can be assured, and demonstrate as required, that the Bailiwick's aviation sector is meeting the agreed international standards and that the regulatory oversight of the industry is adequate.
- (d) To ensure that the safety regulatory regime of the Bailiwick of Guernsey meets the requirements of ICAO Annex 19 for a SSP.
- (e) The main aviation laws and requirements for the Bailiwick comprise:
- Primary Legislation: The Aviation (Bailiwick of Guernsey) Law 2008; The Aviation (Amendment) (Bailiwick of Guernsey) Law, 2012; The Air Navigation (Bailiwick of Guernsey) Law, 2012; and The Aviation Registry (Guernsey) Law 2013.
 - Secondary legislation: The Civil Aviation (Investigation of Air Accidents and Incidents) (Guernsey) Order 1998
 - Guernsey Aviation Requirements (GARs): Set out, for the benefit of those regulated, the detailed guidance to applicants on how to comply with the Air

Navigation (Bailiwick of Guernsey) Law 2013 requirements for the application of Certificates.

- (f) The Bailiwick, wherever possible, maintains consistency with the approach of the UK CAA and avoids any differences. As the European Aviation Safety Agency (EASA) becomes the lead authority in Europe, and European Regulations are applicable in the UK, divergence from these regulations is possible. In each case the Bailiwick of Guernsey makes its own decision on adopting or adapting individual requirements whilst always maintaining ICAO compliance.
- (g) The regulatory provisions use ICAO terminology wherever possible.

8 Policies and Procedures

- (a) **Policy** for the Bailiwick on high-level or complex issues is generally set through discussion and decision with External Affairs, the Airport, and other appropriate Government stakeholders including the Law Officers.
- (b) **Technical Procedures** are dealt with at a working level by the DCA with reference to the Law Officers and affected stakeholders. In all cases due notice is taken of best practices as defined by recognised authorities (e.g. UK CAA, DfT and EASA).

9 Public Consultation

- (a) All new procedures and amendments are subject to a consultation process. Depending on the nature of the procedure or amendment the following are consulted:

- The UK Department for Transport (DfT)
- The UK Civil Aviation Authority (CAA)
- Government Departments
- Law Officers
- Regulated Parties/Organisations
- Representative Bodies
- Consultative Groups

10 Enforcement Sanctions

- (a) The Aviation (Bailiwick of Guernsey) Law, 2008, as amended, confers on the DCA the power of enforcement. Breach of the Aviation Laws is a criminal offence carrying a maximum penalty which is set out in the Law and depends on the nature and circumstances of the breach.

11 Regulatory Oversight

- (a) The responsibility for regulatory oversight of the aviation industry rests with the DCA.
- (b) The DCA contracts through CAA International to carry out certain functions when the required resources are not available within his Office.
- (c) In respect of the above the UK CAA carries out Air Traffic Services, Aerodrome and RFFS audits on a regular basis.
- (d) The UK CAA also regularly visits the Bailiwick for Air Traffic Controlling Licensing purposes.
- (e) All ATC licences are validated by the DCA for use in Guernsey Airspace. The DCA does not issue Controller licences.
- (f) The DCA may use the services of other suitable and recognised organisations to provide support services, whenever necessary.

12 Occurrence Reporting and Analysis

- (a) The Bailiwick participates in the UK CAA's Mandatory Occurrence Reporting Scheme under a contract.

13 Safety Promotion

- (a) Under the Guernsey and Alderney Airport SMS it disseminates safety notices, publications and information to all airport stake holders.
- (b) The DCA relies on General Aviation receiving specific advice and information issued by the UK CAA via its well established distribution schemes and on safety information produced by GA representative bodies such as the Aircraft Owners and Pilots Association (AOPA).

14 Accident and Serious Incident Investigation

- (a) The Civil Aviation (Investigation of Air Accidents and Incidents) (Guernsey) Order 1998 lays down in law the responsibility for the UK Air Accident Investigation Branch (AAIB) to be notified of any reportable accident or incident and appoints the UK's Chief Investigator of Aircraft Accidents as the relevant authority in the Bailiwick to undertake investigations.

15 Monitoring and Review

- (a) **Oversight and Maintenance of the Regulatory Framework:** The scope of the MoU (see 7 b) with the UK ensures that the CAA provides timely advice to the Bailiwick of any changes to relevant technical requirements established under the Chicago Convention, EU legislation and any UK aviation legislation that may be drafted. The Bailiwick of Guernsey is required to ensure the timely enactment of relevant civil aviation legislation. It also provides the UK National Safety Oversight Coordinator with all relevant information required under ICAO's Universal Safety Oversight Audit Programme and cooperates with any audit conducted by ICAO.
- (b) **External Oversight of the DCA.** The MoU ensures that a regular schedule of independent reviews/audits of the safety regulatory system is agreed to be conducted by the CAA on behalf of the DfT.
- (c) **Airport Safety Review Board.** The safety review board operates under the airport's SMS and conducts an annual review on safety performance indicators and safety performance targets and reports to the DCA. The report will then be reviewed by the DCA
- (d) **Compliance Action Plan Review.** The airport is to provide quarterly updates to the DCA on progress with the actions on the Compliance Action Plan following the audits undertaken by the CAA

16 Safety Plans

- (a) Part 2 of the Guernsey State Safety Programme gives the operational details of the Safety plan.
- (b) The Safety Plan includes input from (but not limited to):
 - the Guernsey and Alderney Airport Safety Risk Registers,
 - safety occurrence reports,
 - UK CAA safety planning,
 - safety initiatives developed by the CAA and EASA,
 - staff of Guernsey and Alderney Airports.
 - findings and recommendations from safety investigations

(c) Aims and objectives are provided, grouped into six focus areas. The objectives are suitable for adoption in operators' and service providers' SMS thereby providing linkage between regulatory planning and the regulated organisations.

(d) Wherever possible the monitoring activities and questions should be defined in terms that are quantifiable, as a means to verify satisfactory operational performance of the system; i.e. safety performance indicators (SPI).

(e) Not all areas of aviation in the Bailiwick of Guernsey have a mature system for gathering information. Consequently there may be an absence of information suitable for establishing baseline performance trends or comparison data. Therefore, an important early warning activity will be to ensure that data is gathered and recorded. Improved data collection, including safety data from routine aviation operations, will enable greater use of more quantified safety objectives in future; i.e. safety performance targets (SPT).

Note: This approach enables safety expectations to be expressed in terms that are performance based, for example:

*1.0 bird strike per 1,000 aircraft movements (SPI) with a 50% reduction in five years (SPT).
Safety committee meetings to be held every month (SPI) but at intervals not greater than 6 weeks (SPT).*

(f) In the context of SMS evaluations, the DCA will consider the acceptability of the safety objectives and activities set by the regulated organisation, including the degree of measurability that has been provided (SPIs/SPTs), and thereby agree the acceptable level of safety.

Appendix A**Extract from ICAO Document 9734**

**SAFETY OVERSIGHT MANUAL
PART A
CRITICAL ELEMENTS OF A
SAFETY OVERSIGHT SYSTEM**

ICAO has identified and defined the following critical elements of a State's Safety Oversight System:

CE-1 Primary Aviation Legislation.

The provision of a comprehensive and effective aviation law consistent with the environment and complexity of the State's aviation activity and compliant with the requirements contained in the Convention on International Civil Aviation.

CE-2 Specific Operating Regulations

The provision of adequate regulations to address, at a minimum, national requirements emanating from the primary aviation legislation and providing for standardized operational procedures, equipment and infrastructures (including safety management and training systems), in conformance with the Standards and Recommended Practices (SARPs) contained in the Annexes to the Convention on International Civil Aviation.

Note: The term "regulations" is used in a generic sense to include but is not limited to instructions, rules, edicts, directives, sets of laws, requirements, policies, and orders.

CE-3 State Civil Aviation System and Safety Oversight Functions.

The establishment of a Civil Aviation Authority (CAA) and/or other relevant authorities or government agencies, headed by a Chief Executive Officer, supported by the appropriate and adequate technical and non-technical staff and provided with adequate financial resources. The State authority must have stated safety regulatory functions, objectives and safety policies.

Note: The term "State Civil Aviation System" is used in a generic sense to include all authorities with aviation safety oversight responsibility which may be established by the State as separate entities, such as: CAA, Airport Authorities, Air Traffic Service Authorities, Accident Investigation Authority, and Meteorological Authority.

CE-4 Technical Personnel Qualification and Training.

The establishment of minimum knowledge and experience requirements for the technical personnel performing safety oversight functions and the provision of appropriate training to maintain and enhance their competence at the desired level. The training should include initial and recurrent (periodic) training.

CE-5 Technical Guidance, Tools and the provision of Safety-Critical Information

The provision of technical guidance (including processes and procedures), tools (including facilities and equipment) and safety-critical information, as applicable, to the technical personnel to enable them to perform their safety oversight functions in accordance with established requirements and in a standardized manner. In addition, this includes the provision of technical guidance by the oversight authority to the aviation industry on the implementation of applicable regulations and instructions.

CE-6 Licensing, Certification, Authorization and Approval Obligations.

The implementation of processes and procedures to ensure that personnel and organizations performing an aviation activity meet the established requirements before they are allowed to exercise the privileges of a licence, certificate, authorization and/or approval to conduct the relevant aviation activity.

CE-7 Surveillance Obligations.

The implementation of processes, such as inspections and audits, to proactively ensure that aviation licence, certificate, authorization and/or approval holders continue to meet the established requirements and function at the level of competency and safety required by the State to undertake an aviation-related activity for which they have been licensed, certified, authorized and/or approved to perform. This includes the surveillance of designated personnel who perform safety oversight functions on behalf of the CAA.

CE-8 Resolution of safety concerns.

The implementation of processes and procedures to resolve identified deficiencies impacting aviation safety, which may have been residing in the aviation system and have been detected by the regulatory authority or other appropriate bodies.

Note: This would include the ability to analyse safety deficiencies, forward recommendations, support the resolution of identified deficiencies, as well as take enforcement action when appropriate.

State Safety Programme for the Bailiwick of Guernsey Part 2 – Safety Plan

Change history

Change to this document will be achieved by a re-issue of the entire document rather than by the amendment of individual pages.

Issue No	Date	Description
Initial	March 2104	Annual Report 2013

Guernsey State Safety Programme Part 2 Safety Plan

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Introduction

This State Safety Plan is Part 2 of the Bailiwick of Guernsey State Safety Programme and is the more operationally focused part.

The purpose of the Safety Plan is to create a link between regulatory planning and the regulated organisations. This is done by providing safety objectives suitable for adoption in operators' and service providers' safety management systems (SMS) to give focus for proactive measures to improve safety. Clearly it will be up to the individual organisation to ensure that the safety objectives in their SMS take adequate account of the hazards and risks identified in relation to their own activities as well as including relevant safety objectives from the Safety Plans.

By the provision of safety objectives, the Bailiwick of Guernsey Safety Plan enables organisations to set the nature of activities to be conducted by it towards meeting the safety objectives in their individual SMS. These activities will ideally be set as tasks for managers, and in each case examples of monitoring questions are also to be provided, to be used to measure successful implementation. These activities should be quantified wherever it is reasonably practicable to do so.

In the event there is an absence of information suitable for establishing baseline performance trends or comparison data an important early activity will be to ensure that data is gathered and recorded, including safety data from routine aviation operations. Gathering further data in the process of monitoring the activities to meet the safety objectives will then enable the functioning of the SMS to be reviewed for effective implementation, and improvements to be made.

Whilst the need for more data is seen as an important factor, for example for developing better safety performance indicators (SPI) in the future, the development of an active safety culture is considered vital for the benefits of SMS to be sustained. Both of these factors are reflected in the aims and objectives of the plan.

The Guernsey Safety Plan

The Bailiwick of Guernsey Safety Plan describes safety aims grouped under six major focus areas which are considered to be of central importance for improvements to be made in aviation safety. These aims are then refined to provide one or more safety objectives suitable for adoption in the service providers' safety management systems (SMS).

Not all areas have mature systems for collecting and recording data and where this is the case improvements in reporting and recording data will enable more refined objects to be set in the future.

The aims and objectives of the plan are grouped under the following 6 focus areas –

- 1 Effective Regulation**
- 2 Effective safety management**
- 3 Effective reporting systems**
- 4 Aerodrome safety and air traffic services (ATS)**
- 5 Aircraft operations**
- 6 Emergency preparedness**

How to use the Safety Plan

- 1 Read through the plan and decide which focus areas are relevant to your own organisation.
Note: Focus area 2 'Effective safety management' and focus area 6 'Emergency preparedness' are important for every regulated organisation; and focus area 3 'Effective reporting systems' is relevant for all.
- 2 Include objectives from the relevant focus areas as objectives for safety improvement in your SMS.
- 3 Develop activities which you believe will result in achievement of each objective; and at the same time write the monitoring questions that you have used to respond to each objective. Design the activities and questions in terms that are measurable wherever practicable.
- 4 Be sure to include tasks for gathering and recording baseline data, and also for gathering further data to check for effective implementation.
- 5 Ensure the activities are appropriately assigned to managers, so they know exactly what needs to be done on a day-to-day basis towards achieving the safety objectives of the SMS.
- 6 Your monitoring questions should be used in conjunction with any SMS evaluation question sets you have to monitor the functioning of your SMS and to prepare for external auditing.
- 7 Review and reset your safety policy and objectives at least annually to ensure your SMS is focused on the correct areas, including any changes in the objectives set by the DCA.

Aims and Objectives

Focus Area 1: Effective Regulation

Aim

- 1.1 To ensure that the Bailiwick of Guernsey's Aviation Authority, The Director of Civil Aviation, is fit for purpose.

Objectives

- 1.1.1 Ensuring the independence of the Regulator.
- 1.1.2 Ensuring the effectiveness of the support system from the UK CAA and UK DfT.
- 1.1.3 Relying on best practice demonstrated by the UK for regulatory provision and rule making.

Focus Area 2: Effective Safety Management (by operators/service providers)

Aim

- 2.1 To maintain and improve the overall performance of the SMS

Objectives

- 2.1.1 Ensure the continuing development and implementation of a fully functional SMS as part of management and working practices.
- 2.1.2 Promote the development of an active safety culture so that the benefits of the SMS are sustained.

Focus Area 3: Effective Reporting Systems

Aim

- 2.1 To enable data to be used effectively in maintaining and reviewing safety objectives

Objectives

- 3.1.1 Encourage full and complete reporting of all accidents, incidents and potential hazards.
- 3.1.2 Encourage development of systems/databases for storage, and the investigation and follow up of reports and information
- 3.1.3 Ensure that results of analysis and trend identification are used by management and staff to improve safety.

Focus Area 4: Aerodrome Safety and Air Traffic Services (ATS)

Aim

- 4.1 To improve safety in the aerodrome environment.

Objectives

- 4.1.1 Mitigate risks and improve overall safety.
- 4.1.2 Minimise the risks associated with short runway operations
- 4.1.3 Reduce/eliminate incidence of runway incursions and excursions. - Implementation of European Action Plan for the Prevention of Runway Incursions Edition 2 (EAPPRI 2) and implementation of European Action Plan for the prevention of Runway Excursions Edition 2 (EAPPRE 2).
- 4.1.4 Improve safeguarding of aerodrome protected surfaces and areas
- 4.1.5 Ensure fit for purpose Safety Cases are prepared and reviewed for all new equipment and made available for perusal by the DCA

Aim

- 4.2 To improve physical infrastructure at airports/ATS units.

Objectives

- 4.2.1 Continue to encourage the updating and upgrading of the infrastructure.
- 4.1.2 Ensure that ATS equipment is suitable and remains functional

Aim

- 4.3 To mitigate the consequence of communication failure in Air Traffic Control (ATC).

Objectives

- 4.3.1 Improve resilience in the systems and facilities available.
- 4.1.2 Encourage mutual support between the neighbouring jurisdictions of the Bailiwicks of Guernsey and Jersey

Focus Area 5: Aircraft Operations

Aim

- 5.1 To improve the safety of flight operations

Objectives

- 5.1.1 To support the endeavours of approving authorities (e.g. UKCAA) for the operation of aircraft into the Bailiwick of Guernsey area.
- 5.1.2 Maintain a good dialogue with General Aviation operators to ensure awareness of trends in safety and safety improvement.
- 5.1.3 Ensure awareness of changes to aerodrome and air traffic procedures through effective promulgation.
- 5.1.4 Ensure that the introduction of GNSS approaches is achieved in accordance with ICAO requirements
- 5.1.5 In addition to the mandatory occurrence reporting scheme the Manager Air Traffic Control should advise the DCA of any incidents that raise safety concerns. This is particularly important where some enforcement action maybe required

Focus Area 6: Emergency Preparedness

Aim

6.1 To ensure preparedness for different emergency scenarios.

Objectives

- 6.1.1 Ensure safety of operations during emergency response, and application of contingency plans if applicable.
- 6.1.2 Maintain safety of operations during the recovery phase following an emergency

Useful Links and References

[ICAO Document 9859 Safety Management Manual](#)

[CAA Safety Management Systems](#)

[CAA Phase 2 SMS Evaluation Framework for Complex Organisations](#)

[Skybrary Aviation Safety Knowledge](#)