

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

POLICY & RESOURCES COMMITTEE

GOVERNMENT WORK PLAN 2023-25: the mid-term reset
Investing in Islanders, our Island and our Future

The following propositions are laid in accordance with Rule 17(9) of the Rules of Procedure.

The States are asked to decide:-

Whether, after consideration of the policy letter entitled 'Government Work Plan 2023-25: the mid-term reset' dated 12th June 2023, they are of the opinion:-

1. To agree the general principle of three strategic portfolios for the duration of this political term, and that the Policy & Resources Committee will revert to the Assembly no later than September 2023 with Committee work plans that deliver:
 - Public service resilience, security and governance;
 - Plan for sustainable health and care services; and
 - Grow economic competitiveness;

And to agree that the Policy & Resources Committee should take account of the associated costs, as far as is affordable, when recommending the Annual Budgets for 2024 and 2025.

2. To agree that the Government Work Plan must be both affordable and deliverable and given that the costs for the delivery of States' extant and proposed strategies and services cannot be sustained, to note that the Policy & Resources Committee intends to revert to the Assembly no later than September 2023 with detailed funding proposals to ensure the Bailiwick's essential service, policy and infrastructure requirements are secure going forward.

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The Presiding Officer
States of Guernsey
Royal Court House
St Peter Port

12th June 2023

Dear Sir

1 Executive Summary

- 1.1 The Principal Committees of the States are responsible for ‘developing policy, advising the States on policy, reviewing performance and budgets, and delivering, or overseeing the delivery of, services with a view to securing improved outcomes for the community¹.’ At the request of the Policy & Resources Committee these Committees have completed a reset of the matters engaging their mandates in the Government Work Plan (GWP) 2022 framework. The framework set out the agreed priority work for this political term and is under review as a consequence of emerging issues.
- 1.2 The responses on prioritisation from the Principal Committees over the past few weeks make clear their view that what is being put forward by each of them is considered to be critical and must proceed; that other services cannot be paused or curtailed in order to redeploy existing resources to new priorities; and that it will primarily be government delivering these services. In short, the Principal Committees have been asked if they can do less or do the same differently – their overall response has been that they cannot, and that they also need to do more.
- 1.3 That being the case and noting that the Assembly resolved in February 2023 that the longer-term financial position is unsustainable, the Principal Committees and States Members need to accept that government will need to ask taxpayers to provide more funding to the States now. The challenges are already here if the States are to find the means to deliver and maintain these additional services and

¹ The Rules of Procedure preamble

initiatives that have been put forward, as well as to secure the services that are currently being delivered. Given that the States' finances are already fully committed and significant investment in infrastructure is also being proposed, new funding will need to be raised, either directly by fees and charges where this is appropriate and proportionate, and/or by increasing taxation. If this is not done, then the services and initiatives that have been put forward cannot be funded or initiated.

- 1.4 The Committee has repeatedly stated that, while the measures resolved by the States in February 2023 will generate some additional revenue, they will not be enough to repair the structural deficit or provide a solid enough fiscal foundation to fund the Bailiwick's essential public services, policy and infrastructure requirements going forward. This position is now further compounded by the total funding and resources to undertake obligatory actions, continue delivery of the States' agreed strategies and plans, and respond to emerging issues.
- 1.5 There has been some rephrasing and rescoping that results in a considerable reduction in funding demands for 2023. Nevertheless the overall picture is that costs for new work considered essential in the remainder of this political term have increased the funding levels required. Further to this, much of this work will adapt existing services or implement new additional services or legislation that will have ongoing costs.
- 1.6 International obligations and the Island's domestic requirements established by statute continue to draw on resources. This is in addition to funding the relevant day-to-day services such as border controls.
- 1.7 The States have social, environmental and economic policies and strategies in place that remain extant in perpetuity unless rescinded or revised. These generally establish public policy principles leading to legislation, new services and matters of compliance. These are generating some of the underlining increases in cost and it rests with the Assembly to either arrest this process or, having decided they remain vital given the context today, the Assembly is duty bound to fund and resource them.
- 1.8 The previous Assembly endorsed policy proposals and implementation and operational costs for new health legislation; and introduced substantial anti-discrimination legislation also with a significant and on-going cost to the taxpayer both as a service provider ensuring its own compliance and as a provider of services enacted through the legislation. Both of course are valued in a mature society, that is not the point the Committee is stressing here. Both contribute to the safety, security and equity of vulnerable islanders and importantly they underpin our community's values - but increasing the operating costs for government services in this way without significantly increasing revenues cannot continue.

- 1.9 Critically these extant commitments and their legacy operating costs leave very little capacity to resource a response to emerging issues as this policy letter demonstrates.
- 1.10 The Committee is therefore this year bringing its commentary on progress and emerging issues under Rule 17(9) of the Rules of Procedure in order that the Assembly can consider the general policy principle of raising revenues to meet the continued growth in service provision that its Committees have advised is pragmatic, proportionate and necessary for our community and aligns with the previous decisions of the Assembly.
- 1.11 If supported, the Committee will bring proposals forward in September 2023 that address the funding requirements for three strategic portfolios set out in principle in this policy letter, together with funding proposals for investment in the essential and enabling infrastructure (the capital portfolio). If it is not supported, then the Assembly will be accepting that the GWP, extant Resolutions and the approved policies and strategies of the States are no longer affordable under current fiscal policy, and the Committee will revert to the Assembly with revised strategic proposals within a reduced funding envelope that effectively suspends some strategies of the States for the remainder of the term. In short, the States Assembly will then be asked once again to reprioritise and to reconsider what is essential and what is not.

2 Introduction

- 2.1 The last few years have brought unprecedented challenges to jurisdictions around the globe and Guernsey has been no exception. The impacts of the COVID-19 pandemic and associated lockdowns, post-Brexit demands and the conflict in Ukraine remain. These challenges combined have led to high inflation rates which have had a material impact on the affordability of basic goods for islanders. These factors sit within a local context which could be described as a demographic timebomb – an ageing population with an increasing dependency ratio, a decreasing workforce, and a lowering fertility rate – that is compounded by an increasing cost of living.
- 2.2 These complicated and challenging issues in a time of financial constraint for government have guided a mid-term reset for the GWP. The Committee is proposing there are no further GWP refreshes this political term; this will allow Principal Committees to focus fully on delivering the Assembly's plan. The Committee will publish an annual review in mid-2024 and will co-ordinate a handover report to be considered by this Assembly at an ordinary meeting in Q2 2025 and passed to the next.

- 2.3 This GWP proposes three strategic portfolios for the Assembly's endorsement in principle and subject to funding proposals to be brought to the Assembly in September 2023. These portfolios will be the focus for financial and human resources for the rest of the political term. The first puts into sharp focus the requirement of the Committees of the States to operate resilient services efficiently. The second will focus the Assembly on the biggest public service issue before it – the needs of the ageing demographic for sustainable health and care services. Neither is possible without a prosperous economy, the third portfolio, which relies on the Island's competitiveness and a skilled workforce to retain and attract business. Each is established by a statement of work that will be translated into Committee work plans to ensure that their resources are focused as directed by the Assembly.
- 2.4 The Committee notes that future proposals for legislation and service developments that may emerge from this work will be scrutinised by the Assembly and will likely require funding. This means that before embarking on approval of the detailed development work established in the three statement of works, which will be debated in September, the Assembly must address affordability.

3 Current Context

- 3.1 Like the majority of developed jurisdictions, Guernsey's population is ageing. The latest data shows that the population between compulsory school age and state pension age is declining, which is reflected in a projected fall in the workforce at an average rate of 0.4% per annum². It is estimated that an average level of annual net immigration of around 300 people would be required to maintain the size of the workforce at its current level (as resolved by the Assembly in the Population & Immigration Policy Review³). This is significantly higher than the average level of net immigration experienced over the last 15 years (which is c150 people per annum). Recent net immigration has come through a cyclical peak and has generally exceeded 300 people per year since mid-2018, but in the absence of a significant increase in the supply of residential property, this increased population has contributed to significant increases in both purchase and rental prices.
- 3.2 This in turn has created a significant pressure for more housing, particularly social and key worker tenure. The lack of new units or land for development realised in previous terms has contributed to an insufficient supply of housing exacerbated by COVID lockdowns which significantly slowed housing development down. This will only intensify if the net annual migration increase required to sustain the size of the workforce at its current level is to be maintained over time. During 2022, 181 new units were created, and 56 units were removed, a net increase of 125

² Annual Guernsey Population Projection Bulletin – April 2023

³ Billet D'Etat XVIII – States' Meeting on 19th October 2022

units. Of the net increase of 125, 16 units were 'affordable housing'⁴. Over the same period migration and natural demographic changes are estimated to have resulted in around 190 new households.

- 3.3 A significant increase in the number of people above state pension age began in 2011 and this trend is expected to continue until the 2060s. The number of people aged 85 or over, who typically require the most care, is expected to continue increasing until 2090 or beyond and is likely to more than double over that timeframe. The outcome of these projections is that the dependency ratio⁵ will increase from 0.56 in March 2022 to a peak of 0.85 in 2083; a significant change. In addition to this, the data centred on the Island's fertility rate shows a long-term decrease since the 'baby boom' period of 1946 – 1970 (when the fertility rate was consistently over 2.1), which has led to the assumed central rate being reduced to 1.4 going forward.
- 3.4 The ageing population is increasing pressure on health and care services already struggling with recruitment issues, long waiting lists post pandemic, high rates of medical inflation and a community with very high expectations. These concerns will only increase over time as people continue to live longer and require more use of services to keep them healthy and appropriately cared for. While cost increases are hard to predict, the Committee expects that, without change, health services will cost at least £45m per year more in real terms by 2040.
- 3.5 The Supported Living & Ageing Well Strategy ("SLAWS") established principles which are now being developed into models of care and will be considered by the Assembly in Q2 2024. Seeking to provide a care model including care at home, the community will again have to face the significant cost attached to any model of service provision, be that through public services, private operators or informal carers, as society must respond to the growing demand attendant to the ageing population. The SLAWS work will also seek to find ways of stimulating the local care home market to lessen the delivery by the public service and will bring forward a variety of funding options. Recruitment issues are a global rather than a local issue but improving availability of key worker housing would go some considerable way to alleviating this problem and reduce the Committee for Health & Social Care's current reliance on temporary agency staff, which will in turn

⁴ Guernsey Annual Residential Stock Bulletin (for 2022)

⁵ Defined as 'the total number of people in the dependent population (those of school age and below and those above state pension age) divided by the number of people of working age'. It is intended to provide an indication of the number of people who are not economically active and who use the majority of government funded services (such as education, health and social care and public pensions), relative to number of people who are economically active and therefore contributing the most to government revenues.

Under UN definition this is calculated as follows: $dependency\ ratio = \frac{pop.0-14+pop.65\ and\ over}{pop.15-64}$

mitigate levels of overspend recently experienced and increase continuity of staffing and services.

- 3.6 The local economy has been resilient through the pandemic, is addressing post-Brexit related demands and has been to an extent, sheltered from the most extreme inflationary impact of the conflict in Ukraine because of the long-term pricing arrangements in place for the supply of electricity. However, these cost pressures will reach Guernsey and although inflation had begun to recede in the first quarter and is forecast to reduce through 2023 and into 2024, it is expected to take until late 2024 to return to previous levels - slightly longer than initially hoped. Energy security and in particular the long-term policy for the generation and supply of electricity is a critical concern for this political term.
- 3.7 It has never been more critical to maintain the Island's economic competitiveness, promote growth, continue to meet international standards (including World Trade Organisation rules and existing trade agreement commitments) and negotiate new trade/service agreements.
- 3.8 Providing access, stability, and predictability to markets to sustain the Island's economy is driving non-discretionary work and cost for several Committees as presented in this policy letter. Failure to meet international standards or comply with the provisions of international trade agreements will expose the Island to criticism and potential exclusion from existing agreements. External pressures centred on anti-money laundering, combatting the financing of terrorism, tax cooperation and information exchange and economic substance requirements, will only increase. These measures are now seen as the minimum level for international financial centres rather than standards of excellence. Guernsey must continue to be compliant and aligned with international standards and norms, though in a manner which is proportionate to the size of the population and economy.
- 3.9 The Assembly has delayed determining sources for increased and sustainable government funding after rejecting the opportunity to restructure government funding with progressive proposals that supported the lowest paid so the significant and long term changes to the Island's demographics will impact services. Neither the community nor its government want to see the standard of living eroded and the Committee is working hard with all Committees of the States to minimise the impact while also working through the directions for revenue raising and cost-cutting it was given by the Assembly. Nevertheless the combination of public service delivery, government initiatives, and strategic and required infrastructure investment are unaffordable in the current fiscal envelope.

3.10 The Committee has repeatedly stated that, while the revenue raising and cost cutting measures being explored under Resolution of the States will help to close the gap, they will not be enough to repair the structural deficit or provide a solid enough fiscal foundation to fund the Island's essential requirements.

4 Mid-term review of the Government Work Plan

4.1 The Committee wrote to all Principal Committees, the States' Trading Supervisory Board and the Development & Planning Authority setting out its view that a GWP 'mid-term reset' was required in response to the following drivers/aims:

- The need to rethink the role of government urgently including:
 - enhancing the use of effective commissioning;
 - financial prudence through investment in critical services, infrastructure and resilience;
 - focus on compliance with essential international standards, appropriate to a jurisdiction of our size;
 - A need to focus on the 'must haves' rather than the 'nice to haves'
- The GWP is not deliverable at its current scale; there are too many workstreams to resource both financially and in terms of staffing
- The Tax Review debate further amplified the many financial challenges that government is facing in filling the structural deficit against the backdrop of an increasing cost of living and resistance to changing the tax base
- The development of a reduced GWP for the remainder of this political term to make significant progress on key actions that will benefit both Islanders and the local economy.

4.2 This first stage of information gathering assisted with a narrowing of focus but in totality the Committee remained concerned about affordability and deliverability. Joint meetings with each of the Principal Committees and the States' Trading Supervisory Board examined these issues. The Committee was able to set out more detail on the financial challenges being faced post Tax Review and what impact this might have on government-wide policy and Committees' operational and policy mandates. States' Members briefings and discussion forums followed, and the Committees responded constructively with their formal feedback.

- 4.3 In the first half of the political term funding was invested in short-to-medium term horizons as the community continued to recover post pandemic and in international compliance post-Brexit. Now, we have established and funded programmes of recovery in health and education; and in securing trade agreements, together with a clear understanding of the compliance obligations that come with them. The recovery, and managing the impact post-Brexit, remain very substantial costs with continual demands on the operational activity delivered by the public service but they are not the major strategic issues of two years ago. It is therefore now very important to recognise these increased business as usual demands on people and finances (operational service delivery) and their impact on a small jurisdiction such as Guernsey during a significant and changing geopolitical landscape on which we have little if any influence. The reset has sought to identify these pressures and lend them greater weight as they increasingly demand a growing proportion of our limited people and financial resources.
- 4.4 The priority actions for the remainder of this term set out in figure 1 seek to balance and address current pressures and preparedness for the issues of the future centred on longer-term impact and sustainability. Critical to all three remains housing supply and affordability.
- 4.5 Many of these actions will result in decisions for this Assembly that are potentially expensive (and not yet costed) and are certainly complex with many interdependencies. Each portfolio has a 'statement of work' for the Assembly to endorse in principle at this stage. Learning from previous iterations of strategic planning, these have been conceived to mitigate scope creep and keep a tight focus on the critical work this community needs its government to deliver.
- 4.6 The resource requirements for other on-going strategies have also been identified so the Assembly has a complete picture of the new work that has been recommended or is already States' approved for the remainder of the term.
- 4.7 There remain very many 'nice to haves' but the reality is that as government this Assembly must direct the work of its Committees and ensure they are delivering essentials first, and only. This has been understood and accepted and the Principal Committees have actively reduced their funding demands for 2023 in recognition of the difficulties. The GWP reset has delivered a reduction in the number of actions, some rephasing and some cost reductions. However it also identified cost pressures because of emerging issues that the Assembly will need to determine its appetite to fund. Then the Committee will revert with the necessary proposals to raise revenue and invest in enabling infrastructure, or to reshape and reduce the future activity of the Committees based on current levels of funding.

GOVERNMENT WORK PLAN 2023 - 2025

Investing in Islanders, our Island and our Future

GOVERNMENT STRATEGIC PORTFOLIOS



Figure 1: Summary strategic portfolios

5 Strategic portfolios

5.1 The Policy & Resources Committee has been consistently of the view that the actions of government need to be focused and co-ordinated, ensuring that its limited resources are directed to deliver a safe, prosperous and sustainable future. The supporting statements of work for these three portfolios are set out at Appendices 1, 2 and 3.

Maintain Public Service Resilience, Security and Governance

5.2 In the 2021 Government Work Plan⁶, it was recognised that meeting the current and future needs of the Island requires a coordinated and focused administration. The States need to work in effective partnership with other jurisdictions, businesses, the third sector and community groups, collect and use revenue wisely, carefully maintain essential Island infrastructure, and organise and deliver public services centred on, and accessible to, the people who use them.

5.3 Economic uncertainty, the ageing population, climate change, historical under-investment in digital and infrastructure, and rapid technological developments have all created an uncertain operating environment for government. Without investment to ensure that public services are in a stable and resilient position, the Island will miss out on opportunities, and risks to service delivery will likely escalate. The States' funding shortfall is forecast to rise to over £100m per year by 2040. Without growth in revenues, operational change and cost reduction, the public service will be without the finances necessary to meet the Bailiwick's needs

⁶ [Government Work Plan 2021-2025, Billet d'État XV, 2021](#)

resulting in increasing vulnerability to critical failures. These objectives need to be re-prioritised as increasingly urgent business as usual matters for the whole Assembly and resourced appropriately to be taken forward in the current financial context.

- 5.4 At the 2023 Tax Review debate⁷, the States agreed that the longer-term financial position of the States of Guernsey is unsustainable and effective measures must be implemented in a staged approach to mitigate the challenges. The Committee remains of the view that the Resolutions it is now discharging as a consequence will not provide the platform necessary to fund current public services.

Plan for sustainable health and care services

- 5.5 Guernsey's health and care provision is becoming increasingly unsustainable. We need to adapt our delivery model to mitigate the impact of increasing demand, increase service resilience, and minimise service risk for the population. An ageing population, competitive resource environment, and high user expectations mean that, if there is no change, the health and care system will put increasing pressure on public sector finances and is likely to reduce in quality and accessibility. While cost increases are hard to predict, we expect that, without change, health and social care services will cost at least £45m per year more in 2040, and long-term care costs will increase by more than £17m over the same period.
- 5.6 The same resource and cost pressures that impact the ability of the health and care system to meet increasing demand will challenge our capacity to deliver change. Expert advice is required to successfully evaluate and progress options, and this commonly draws on staff otherwise working on the front lines. It is vital that work is appropriately prioritised and scheduled to ensure that we can make workforce plans and source the people to deliver key work.

Grow economic competitiveness

- 5.7 Guernsey must continue to invest in economic competitiveness and core infrastructure to support economic growth, with a focus on supporting the finance sector, digital connectivity and data security, skills, entrepreneurial growth and innovation, transport connectivity and the visitor economy. The local economy has been impacted by COVID, post-Brexit demands and the increasing criticality of international trade agreements. Additional concerns are the Island's increasing dependency ratio due to an ageing population, housing availability and cost, and the need to upskill the current and future workforces.

⁷ [The Tax Review: Phase 2, Billet d'État III, 2023](#)

- 5.8 In 2018 the States agreed a number of actions through the States of Guernsey Economic Development Strategy. The majority have since been re-affirmed through the various iterations of the Government Work Plan.

6 Monitoring and review

- 6.1 Mindful that the people resource at the disposal of the Assembly is constrained by the demands of day-to-day service delivery and the pressing obligatory matters this Assembly must progress, the Committee is not establishing a complex governance arrangement for these portfolios.
- 6.2 Each portfolio has actions which have or will have established their own project structure drawing on advisory specialists in order that the policy making Committees continue to make progress on these critical areas. These accountabilities are identified in the statements of work and will be translated into Principal Committee work plans. Working within the committee structure of the States and respecting their mandates to minimise additional structures and administration engages the policy co-ordination and advisory accountabilities of the Policy & Resources Committee and maximising the current investment in existing project structures where possible as illustrated in figure 2. The Policy & Resources Committee will discharge its responsibilities by formally monitoring progress and will promote and facilitate effective cross-committee policy development by considering interdependencies and clarifying accountabilities, responsibilities, and consultation requirements to expedite decision making.
- 6.3 A monitoring report will be published in mid-2024 and it is proposed that the Assembly formally considers a handover report to the next Assembly at an ordinary meeting of the States towards the end of the current political term.



Plan for sustainable health & care services

- ▶ Secure political assurance by Policy & Resources Committee on behalf of Assembly as set out in mandate - promoting and facilitating cross-committee policy development and advising on the implications of other committees' proposals, policies and activities and in particular whether they accord with States' objectives and policy ie: GWP
- ▶ Monitor delivery against milestones and ensure holistic strategic policy development across government
- ▶ Address resource constraints and policy tensions where necessary
- ▶ Publish update reports annually in the GWP monitoring report

↑ Reporting Direction ↑



Project Board (e.g. SLAWS)

- ▶ Seeking political direction and decisions from Committees in accordance with project plans as appropriate to their mandates
- ▶ Supported by bespoke political assurance as required (for SLAWS this is the three Committee Presidents)
- ▶ Leading the development of the identified workstreams/actions including assurance wrt stakeholder engagement (political and third party)
- ▶ Managing risks or issues that arise in workstream/action
- ▶ Ensuring work is progressed in a coordinated manner, avoiding duplication
- ▶ Ensuring work is adequately resourced and progressing in tandem with interdependent actions where necessary
- ▶ Reporting on overall progress and performance against milestones to the Policy & Resources Committee

Figure 2: Proposed co-ordination, monitoring and reporting model

7 Funding strategic portfolios

- 7.1 In working with the Principal Committees over the past several months it has become even more apparent that much of their capacity is committed to governance of their operational responsibilities and delivering and implementing new legislation and extant strategies as directed by the Assembly. There is limited capacity for the future-proofing strategic work that this Plan seeks to promote.
- 7.2 Even the core business of Committees is generally challenging to deliver in a timely manner given the constraint of our jurisdiction's small public service. Analysis of the GWP funding demands has been enlightening and reveals that discharging the directions of the Assembly, made independently of each other, and often taking too long to deliver, is a factor in increasing the cost of government. The States cannot afford to implement all their policies and strategies without a robust and sustainable funding plan. Worryingly, this also impacts the States' ability to resource responses to emerging issues.
- 7.3 By way of example, the extensive range of work undertaken by the Committee *for* Home Affairs to prepare the Island for a MoneyVal evaluation has substantially impacted its ability to progress further with the Justice Framework approved by

the States last year. The Assembly did prioritise by Resolution the work on MoneyVal and that Committee has discharged that direction fastidiously. It is also investing in the Island's safety and security by establishing a 'Cyber Emergency Response Team' for which it will apply for funding from the 2023 service development budget and is ensuring compliance with telecommunications security standards. However notwithstanding the release of funding it could not progress developing the Justice Action Plan. The Policy & Resources Committee considers it is reasonable for funds to remain in place for the additional two contract staff posts in order that the Plan can be developed and agreed, ready for the next Assembly to consider its priorities when there is greater certainty on a sustainable source of government funding. The more developed individual actions of established strategies which engage the Justice Framework such as the Domestic Abuse and Sexual Violence Strategy retains funding for the pilot Sexual Assault Referral Centre, subject to the decisions of the Assembly.

- 7.4 Similar situations are playing out in most committee settings, for example the Committee *for the* Environment & Infrastructure has proactively rephased work to ensure it brings forward to this Assembly intervention proposals to address housing supply. It is also ensuring that it progresses the enabling actions to develop the blue economy, and the green and sustainable economy, which support Guernsey's wider economic development strategy. Work to future proof the Island's road traffic legislation in the face of significant change will now progress in earnest next term while this term the Committee concludes road traffic matters to comply with international standards.
- 7.5 The legal status of cannabis review will not be progressed this term and the Committee *for* Health & Social Care will consolidate its efforts on the enablers for meeting the needs of an ageing demographic and further work to support children and families. Through its mental health pilot drop-in centre in December 2021 it has been able to develop proposals for a more permanent solution for which it will seek funding from the 2023 service development budget.
- 7.6 The Committee *for* Economic Development is driving the skills for work agenda established by the economic development strategy from 2018 with a model that reduces reliance on the public sector by partnering with industry. This is phase 1 of the Human Capital Development Plan that was a priority of the GWP and has been developed together with the Committee *for* Education, Sport & Culture. Having focused its reset on the critical and important actions in the economic development strategy the Committee *for* Economic Development has recommended that the Assembly continue to invest in the promotion and development of the Island's finance sector, and major economic engine, through providing continued additional funding to Guernsey Finance and by enabling diversification into green and sustainable markets. It has key performance indicators in place with Guernsey Finance and is monitoring progressing, meeting its officers regularly to ensure value is realised for taxpayers.

7.7 This approach is repeated across the Committees and has reduced expected expenditure in 2023. Progressing strategies in future years requires financial planning especially as the States must still address emerging issues. Figure 3 reveals by type the major GWP 2023-25 funding requirements noting that previously agreed ongoing costs are already in Committee cash limits, such as commissioned services delivering the domestic abuse strategy; the funding to implement and maintain the recommendations of the Nasen Report on special educational needs and/or disabilities (SEND) provision⁸; and the funding of NICE TAs with an incremental cost effectiveness ratio (ICER) value of up to £40,000⁹.

Action	2023	2024	2025
Obligatory costs – domestic and international compliance inc Paris Agreement/Climate mitigation and Island Development Plan review	£764k	£764k	£514k plus general election
Implementation of legislation		£612k	£365k
GWP reset - new actions			
Plan for sustainable health and care services		£500k	£500k
Finance sector development – 3 year grant funding uplift		£500k	£1,000k
Dairy industry – policy review		£925k	£925k
Active 8: A Plan for Sport	(see below)		
Energy Policy: Electricity Strategy	(see below)		
Discharging an extant Resolution			
Funds required if relevant policy letters are approved by Assembly: <ul style="list-style-type: none"> • Guernsey Renewable Energy Commission • Guernsey Development Agency 	£50k	£100k	£100k

⁸ Guernsey and Alderney SEND Review 2021 – Nasen Report

⁹ Review of the Funding of Drugs, Treatments and Devices, Billet d’État I, 2020

Delivering a strategy			
Strategic Housing Action and Delivery Plan – Phase 1		£100k	£110k
Economic Development Strategy and Implementation Plan (inc green and blue economies)	£348k	£1,390k ¹⁰	£1,595k ¹¹
Strategy for Nature (previously biodiversity strategy) - inc Nature Commission 3 year pilot	£140k	£175k	£175k
Education Strategy	£80k	£80k	
SOHWELL – phase 3	£50k	£50k	£100k (subject to States approval of occupational health strategy)
Healthy Weight Strategy – tier 3 and 4		£250k	£250k
Sexual Assault Referral Centre – 3 year pilot	£399k	£351k	£351k
Active 8: A Plan for Sport		£124k	£82k
Justice Framework	£215k	£115k	£58k

Figure 3: analysis of major GWP funding requirements

7.8 The summary table at figure 4 illustrates the impact of rephrasing and removing some activity. This level of funding supports all obligatory domestic and international work to keep the island safe, secure and compliant. It also continues to fund the on-going actions required especially in health and education to recover fully from the impact of the pandemic; retains funding previously agreed in principle by the Assembly for specific pieces of legislation; and continues funding staff resources for the development of the Justice Action Plan, limiting further

¹⁰ Launch of Skills Development Agency; air routes connectivity incentives; and enterprise investment scheme is launched for two year pilot

¹¹ Includes work to support Blue Economy Plan delivered by the Committee *for the Environment & Infrastructure*

funding until the Justice Action Plan is approved and the requirements for future funding is more fully understood in the wider context of affordability. It highlights that there is an additional £4,856k requested for this period as a consequence of emerging issues.

All in £'000s	2021	2022	2023	2024	2025	Total 2023 - 2025
2022 FIP Update	245	7,289	11,278	9,504	8,186	
<i>Funding released</i>	-	2,427	7,610	5,777	4,722	
Not yet released	245	4,862	3,669	3,728	3,465	10,861
2023 GWP Reset: existing initiatives			1,953	4,182	3,968	10,103
Reduction/(increase) against funding not yet released			1,716	(454)	(503)	758
New initiatives			0	2,349	2,507	4,856
Total 2023 GWP Reset			1,953	6,531	6,475	14,959
Reduction/(increase) against funding not yet released			1,716	(2,803)	(3,010)	(4,098)

Figure 4: FIP update summary of GWP actions

7.9 The Committee wishes to stress that the forecast costs set out in this policy letter are those submitted by Committees as being required and are best estimates. There will be appropriate review and challenge undertaken prior to any funding being recommended or released including whether any reasonable reductions can be achieved. It will be important that this work is undertaken and therefore the costs should be considered provisional at this stage and should not be assumed to be budgets available if this policy letter is approved.

New funding requests

7.10 The following five matters have been identified with specific funding requirements however as already discussed the Assembly will need to be alert to funding critical discovery or policy development work that will result in it needing to consider recommendations with implementation and operational costs such as the community care model which will be expensive because of the growing demand on services however it is funded.

i. *Resourcing sustainable healthcare modelling @ £500k in 2024 and 2025*

This new strategic portfolio will require both additional and backfill resourcing and consultancy support. It is prudent to make provision although at this very early stage it is not possible to provide accurate estimates.

ii. *Finance Sector support @£1m pa continuing from mid-2024 to mid-2027*

The Committee for Economic Development is seeking to continue the previously agreed grant to Guernsey Finance of £1m pa until 2027 in

addition to the annual baseline grant of £1.5m. The Committee *for* Economic Development meets with Guernsey Finance regularly for performance updates and is satisfied that this support for the development of the sector remains good value for the economy.

iii. Dairy sector review with revenue cost estimate of £925k pa

The Committee *for the* Environment & Infrastructure advises that the review is largely complete and there will be recommended actions to deliver with close links with the Future Dairy project. There are likely to be follow-on funding requirements to secure the continuation of dairy farming in the Island and the costs will be highlighted in a policy letter. If all actions are agreed, the Assembly is advised that follow-on costs could be around £925k pa. The Committee *for the* Environment & Infrastructure recommends that the issue is examined comprehensively, including through the lens of a potential major reduction in the capital expenditure required for the dairy project, and will bring forward a policy to the Assembly in 2024.

iv. Active 8: A Plan for Sport @£124k in 2024 continuing from 2025-30 at £82k

Current funding for the first three years of a ten year programme expires at the end of 2023. The Committee for Education, Sport & Culture has advised that 'whilst it is, and always will be, difficult to produce data demonstrating the extent to which investment via Active 8 has reduced and will continue to reduce the demand on health services, its view is that the important work undertaken by the Guernsey Sports Commission (GSC) under the umbrella of Active 8 must be seen as essential and complementary to any planning related to sustainable health and care services.

7.11 That said, it also recognises the need to ensure that the work undertaken by the GSC in delivering Active 8 continues to represent best value for money, and this has been the focus of recent discussions with the Commission.

7.12 The Committee *for* Education, Sport & Culture has yet to finalise discussions with the GSC but anticipates funding requirements for Active 8 beyond the grants that are already well established and accounted for, will be £123,600 for 2024, and £82,400 from 2025 onwards to 2030. This represents a significant reduction when compared with the first three years of the delivery of the Plan and is supported by a majority with Deputy Cameron, who is a director of the GCS, dissenting.'

v. Electricity Strategy @ £200k in 2024

Funding for the technical and market analysis reports to complete the strategy has been approved. The policy letter will seek a further £200k funding in 2024 for the establishment of the Guernsey Renewable Energy Commission in order to support the licensing and development of on-island renewables.

8 Conclusion

- 8.1 The Committees of the States have made clear their views that what is being put forward by each of them is considered to be critical and must proceed; that other services cannot be paused or curtailed in order to redeploy existing resources to new priorities; and that it will primarily be government delivering these services. They have reset their priorities and together with some further adjustment by the Policy & Resources Committee this has resulted in an anticipated reduction of c£750k over the remaining 24 months of this political term. However emerging issues will need to be addressed which are estimated to require an additional c£4.85m over the same period. This means that the total additional funding requested in 2024 and 2025 totals £4.1m.
- 8.2 The Committee remains concerned that to continue to meet the community's expectation established through existing public services, extant Resolutions, and strategies, there remains a sustained funding gap without a viable funding plan.
- 8.3 The Committee has repeatedly stated that, while the measures resolved by the States in February 2023 will generate some additional revenue, they will not be enough to repair the structural deficit or provide a solid enough fiscal foundation to fund the Island's essential requirements going forward.
- 8.4 The GWP is now more deliverable but is demonstrably not affordable, with some of the strategies and policies being developed likely to result in yet more cost of service delivery in the medium-term. The Committee is therefore this year bringing the commentary on progress and emerging issues under Rule 17(9) of the Rules of Procedure in order that the Assembly can consider the general policy principle of substantially raising revenues to meet the continued growth in service provision that its Committees have advised is pragmatic, proportionate and necessary for our community.
- 8.5 If supported, the Committee will bring proposals forward in September 2023 in the Funding & Investment Plan that address the costs of public service, funding requirements for the three strategic portfolios set out in principle in this policy letter, together with funding proposals for investment in essential and enabling infrastructure (the capital portfolio). If it is not supported, then the Assembly will be accepting that the GWP, extant Resolutions and the approved policies and strategies of the States are no longer affordable under current fiscal policy, and the Committee will revert to the Assembly with revised strategic proposals within a reduced funding envelope. In short, the States Assembly will then be asked once again to reprioritise and to reconsider what is essential and what is not.

9 Compliance with Rule 4

9.1 Rule 4 of the Rules of Procedure of the States of Deliberation and their Committees sets out the information which must be included in, or appended to, motions laid before the States.

9.2 In accordance with Rule 4(1):

- a) The Propositions contribute to the States' objectives and policy plans by discharging the policy planning requirement set out in Rule 23 of The Rules of Procedure of the States of Deliberation and their Committees.
- b) In preparing the Propositions, consultation has been undertaken with all Principal Committees and all States' Members.
- c) The Propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.
- d) The proposals are under consideration as matters of general principle and the Committee will revert to the Assembly with detailed recommendations in September 2023. There are no financial implications at this stage.

9.3 In accordance with Rule 4(2):

- a) The Propositions relate to the Committee's mandate to co-ordinate the States' strategic planning process.
- b) The Policy & Resources Committee, pursuant to its mandate to coordinate the work and priorities of the States of Deliberation, unanimously presents three strategic portfolios resultant from the reset of priorities undertaken by the Principal Committees of the States.

Yours faithfully

PTR Ferbrache
President

MAJ Helyar
Vice President

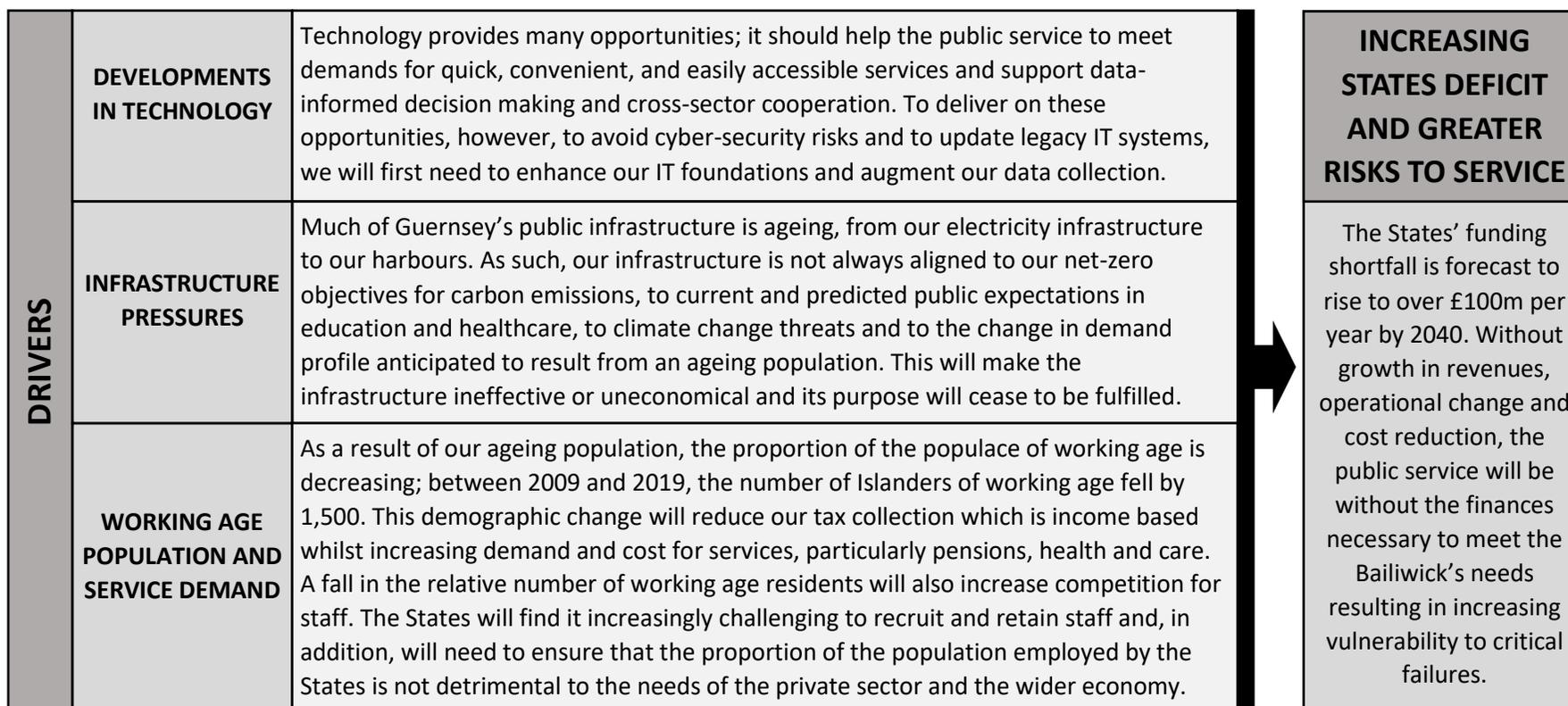
JP Le Tocq
DJ Mahoney
RC Murray

STRATEGIC PORTFOLIO: MAINTAIN PUBLIC SERVICE RESILIENCE, SECURITY & GOVERNANCE

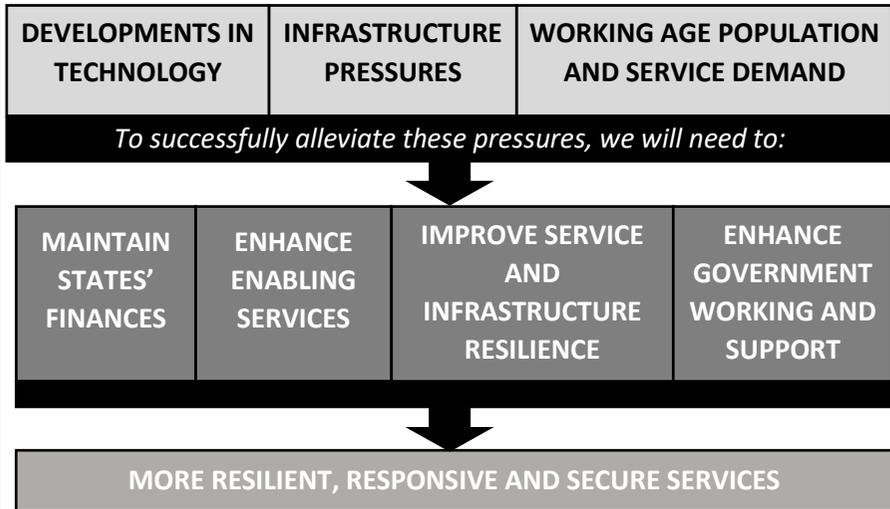
Guernsey’s government needs to ensure robust daily public services that respond effectively to the unexpected.

THE PROBLEM - Why do we need to act?

Economic uncertainty, the ageing population, climate change, under-investment and rapid technological development have all created an uncertain operating environment for government. Without investment to ensure that public services are in a stable and resilient position, the Island will miss out on opportunities, and risks to service delivery will likely escalate.



**DESIRED
OUTCOMES**
What
should we
focus on?



To improve the resilience, security and governance of public services, the portfolio will need to focus on achieving the following outcomes:

- Maintain States' finances – revenue generation, collection, reporting and cost reduction to stabilise the States' financial position and ensure core services can continue to be delivered.
- Enhance enabling services – to provide a stable and flexible platform, including IT, finance, and performance management reporting so that the public service can operate efficiently, access new technologies more easily, and respond to disruption.
- Improve service and infrastructure resilience – to ensure that the public service has the resources needed to work effectively in the future.
- Enhance government working and support – to ensure that the Assembly has the right structure, policy and legislative support, reporting, and data to work effectively.

THE SCOPE

What work has been prioritised?

In the 2021 Government Work Plan¹², it was recognised that meeting the current and future needs of the Island requires a coordinated and focused administration. The States need to work in effective partnership with other jurisdictions, businesses, the third sector and community groups, collect, report and use revenue wisely, carefully maintain essential Island infrastructure, and organise and deliver public services centred on, and accessible to, the people who use them.

These objectives need to be re-prioritised and taken forward in the current financial context. At the 2023 Tax Review debate¹³, the States agreed that the longer-term financial position of the States of Guernsey is unsustainable and effective measures must be implemented in a staged approach to mitigate the challenges. The workstreams have been identified as priorities to progress this term in the current context.

Workstream		Committee
Delivery model – workstreams to change how we provide public services.	IT resilience	P&RC
	Strategic workforce planning	P&RC
	Bailiwick relationships	P&RC
	Machinery of government	P&RC / SACC
Investment in infrastructure – workstreams to ensure infrastructure supports public service delivery model.	Key Worker Housing for public sector	P&RC / ESS / E&I
	Capital portfolio sequencing with construction sector capacity	P&RC
Sustainable public finances – workstreams to ensure funding mechanisms support desired delivery model.	States' revenues	All (P&RC coordination)
	Cost of public services	All (P&RC coordination)

¹² [Government Work Plan 2021-2025, Billet d'État XV, 2021](#)

¹³ [The Tax Review: Phase 2, Billet d'État III, 2023](#)

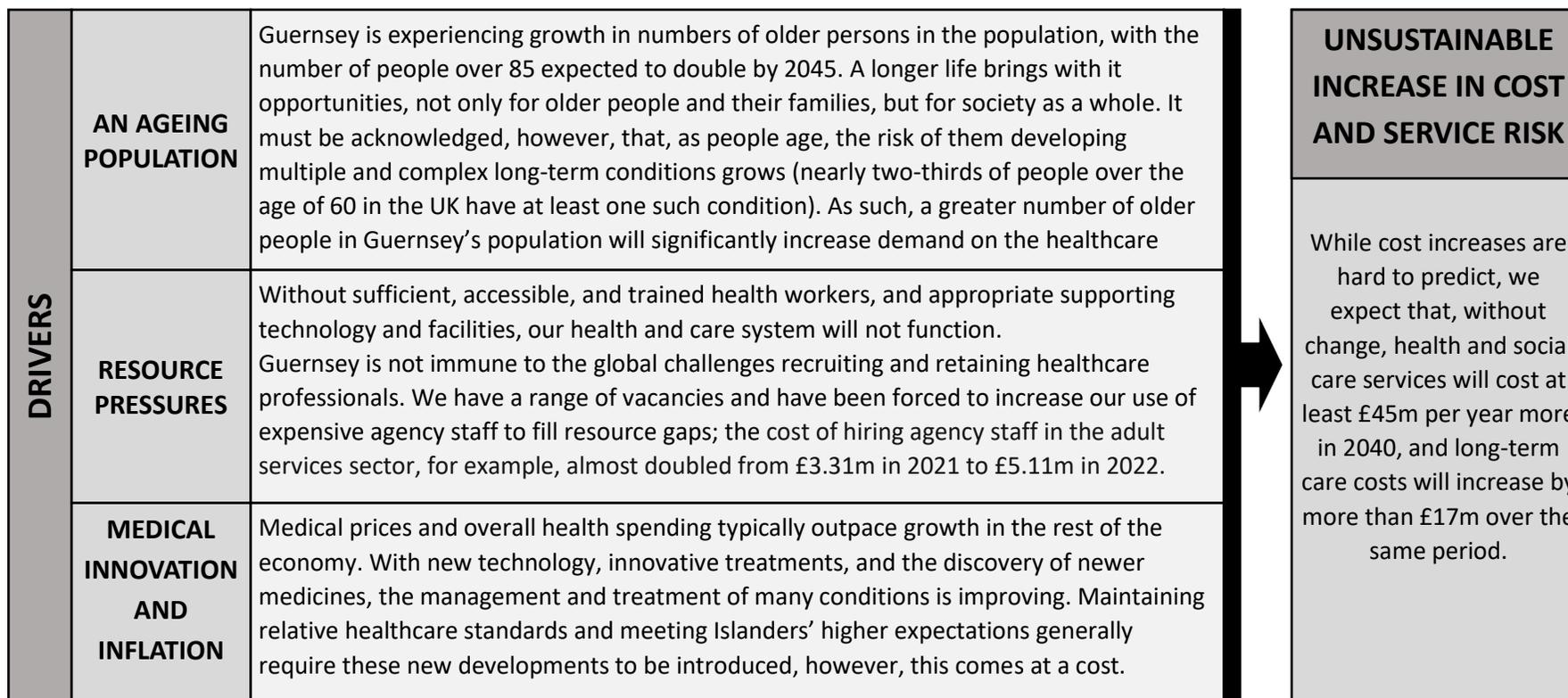
	Regulation and Service Quality – workstreams to ensure appropriate service quality is maintained, and regulatory and international obligations are met.	IPSAS	P&RC
		General Election 2025	HA/SACC
		Proportionate and pragmatic legislative programme	All (P&RC coordination)
CHALLENGES What might constrain our work?	Finances	We have limited capital and revenue funding available to support our actions. We will need to ensure that financial resources are focused where they are most needed, and plan for future funding requirements.	
	Construction Services and Costs	Guernsey has limited capacity in the construction sector. This has the potential to constrain the amount of infrastructure activity which can be carried out on the Island at any one time.	
	Human Resources	In many cases the same people will be needed across multiple projects and to deliver business-as-usual services. Careful planning will be required to ensure limited resources are focused on key outcomes.	
	Interdependent Projects	Enhancement of enabling services will need to consider and inform wider plans in the States. Changes will need to be phased to support key strategic projects.	
	Island Economy	Action in the public service will need to take account of its impact on the wider Island economy. Measures to increase staff recruitment, bring forward building works, etc. cannot unduly impact the success of key sectors in the Island.	

STRATEGIC PORTFOLIO: PLAN FOR SUSTAINABLE HEALTH AND CARE SERVICES

Guernsey’s health and care provision is becoming increasingly unaffordable. We need to adapt our delivery model to mitigate increasing demand, increase service resilience, and minimise service risk for the population.

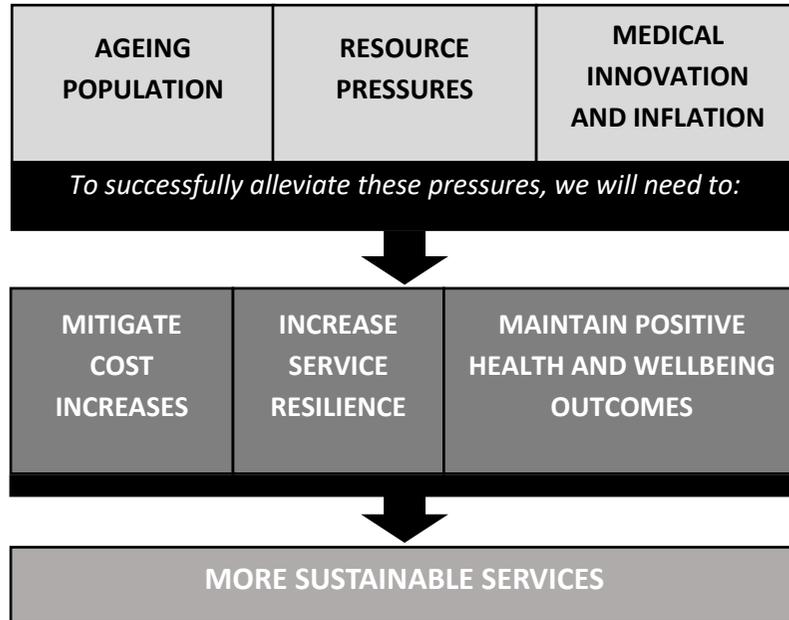
THE PROBLEM - Why do we need to act?

An ageing population, competitive resource environment, and high user expectations mean that, if there is no change, the health and care system will put increasing pressure on public sector finances and is likely to reduce in quality and accessibility.



The pressures on health and care have been exacerbated by the pandemic

**DESIRED
OUTCOMES**
What
should we
focus on?



To increase the sustainability of health and care services, the Plan for Sustainable Health and Care Services portfolio will need to focus on achieving the following outcomes:

- Mitigate cost increases – to reduce the financial impact of increasing demand, resource competition and new treatments so that services remain accessible and other public services are not unduly restricted.
- Increase service resilience – to better equip the system to meet the increasing demand and disruption and ensure it can adopt innovative approaches more easily.
- Positive health and wellbeing outcomes – to ensure that pressures on the system and changes made to the model don't detrimentally affect health and wellbeing in the Island.

THE SCOPE
What work
has been
prioritised?

The States have already agreed to a [process of transformation in the Bailiwick's health and care services](#) and has commenced work on the [Supported Living and Ageing Well Strategy](#), the [Children Law](#) and [Health and Care Regulation](#)¹⁴. Transformation objectives have been based on 10 key aims which will shape how we achieve the desired outcomes; prevention, user-centred care, fair access to care, proportionate governance, direct access to services, effective community care, focus on quality, a universal offering, partnership approach and empowered providers and integrated teams.

The prioritised workstreams are included below. Additional workstreams are included in the Maintain Public Service Resilience, Security and Governance and Grow Economic Competitiveness portfolios which support the journey towards more sustainable health and care services, particularly efforts to increase the availability of Key Worker Housing, education services to support upskilling and reskilling in health and care and allied professions, support the recruitment and retention of health and care workers and address the existing waiting list pressures.

Workstream		Committee
Delivery model – workstreams to change how we provide health and care services to mitigate costs, improve service resilience and enhance service quality.	Future model of hospital care delivery	HSC
	Future model of community care delivery	HSC
	Primary Care Review; aids and adaptations funding process	HSC/ESS
	Progress integrated health and care service delivery in Alderney	P&RC/HSC
	Continue implementation of the Capacity Law	HSC
	Articulate the Universal Offer	HSC
Funding options – workstreams to consider the funding options for delivery changes.	Review of possible funding mechanisms as they relate to the desired/updated delivery model	P&RC/HSC

¹⁴ A Partnership of Purpose: Transforming Bailiwick Health and Care, Billet d'État XXIV, 2017, Supported Living and Ageing Well Strategy: Extending the Life of the Long-Term Care Scheme, Billet d'État XVI, 2020. Supported Living and Ageing Well Strategy, Billet d'État III, 2016, Review of the Children Law and Outcomes, Billet d'État XVII, 2022, Health and Care Regulation in the Bailiwick, Billet d'État III, 2019

	Regulation and Service Quality – workstreams to ensure that appropriate service quality is maintained.	Implement proportionate community care regulation	HSC
		Implementation of Phase 1 Children Law review	HSC
		Adoption Law drafting and enactment	HSC
		Review of NICE Tas	HSC
CHALLENGES What might constrain our work?	Human Resources	The same resource and cost pressures that impact the ability of the health and care system to meet increasing demand will challenge our capacity to deliver change. Expert advice is required to successfully evaluate and progress options, this commonly draws on staff otherwise working on the front lines. It is vital that work is appropriately prioritised and scheduled to ensure that we can make workforce plans and source human resources to deliver key work.	
	Financial Pressure on the Population	When evaluating options for the future of the health system, the current cost of living issues and pressure on households will need to be considered.	
	Interdependencies	The workstreams in the portfolio will need to progress alongside, and in the context of, wider changes to the public service model to balance resource needs and maximise the impact of change.	
	Associated Strategic Objectives	Action on in the health and care system will need to take into account the States’ other strategic goals, such as the +300 population indicator and the drive to diversify the Island’s economy.	
	Enabling Services	Options for health and care will need to consider the availability of enabling services and data in the States, such as means testing capacity and wider data collection and sharing, in order to manage the feasibility and administration cost of any options.	

STRATEGIC PORTFOLIO: GROW ECONOMIC COMPETITIVENESS

Guernsey must continue to invest in economic competitiveness and core infrastructure to support economic growth, with a focus on supporting the finance sector, digital connectivity and data security, skills, entrepreneurial growth and innovation, transport connectivity and the visitor economy.

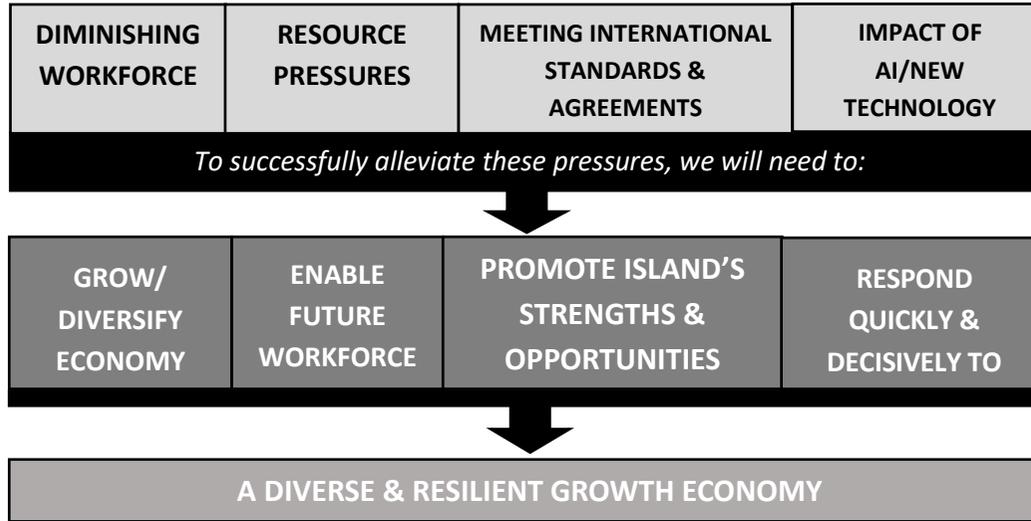
THE PROBLEM Why do we need to act?

The local economy has been impacted by COVID, Brexit and its related demands, and the increasing criticality of international trade agreements. Additional concerns are the Island’s increasing dependency ratio due to an ageing population, housing availability and cost, and the need to upskill the current and future workforces.

DRIVERS	DIMINISHING WORKFORCE	Guernsey is experiencing growth in amount of older people in the population, with the number of people over 85 expected to double by 2045. This means the working population is decreasing, and the non-working population is increasing, putting significant pressure on income tax take as the main means to generate government revenues.	➔	RISK OF LOSING COMPETITIVE STATUS...
	RESOURCE PRESSURES	The outcomes from the recent Tax Strategy debate have not sufficiently addressed the island’s structural deficit, and the future fiscal view will continue to bring significant challenges. Growing and diversifying the economy could potentially increase revenue from existing avenues and create new ones. Specifically, it is vital the financial services sector continues to be supported and developed. It is the highest employer on the Island and must remain robust yet agile to changes in order to remain competitive.		
	MEETING INTERNATIONAL STANDARDS & AGREEMENTS	Meeting international standards (including WTO rules and existing Free Trade Agreement commitments) and negotiating new trade/service agreements are critical to maintain our economic competitiveness and to promote growth. Achieving this provides access, stability, and predictability to markets, while decreasing our reliance on the UK and one/two other markets. Failure to do so would expose the Islands to potential criticism and expulsion from existing agreements. External pressures around AML, CFT and tax cooperation, including the exchange of information and economic substance requirements will only increase - these measures are now seen as the minimum level for international financial centres rather than standards of excellence.		
	IMPACT OF AI/NEW TECHNOLOGY	The impact of new technologies, and specifically AI, will be significant, and we will have to respond quickly and decisively in order to make the most of new opportunities. Challenges will be created in finding the right staff to work with the new technologies, maintaining production levels, and being able to diversify in affected sectors.		

Would negatively impact not just the economy and Guernsey’s global reputation, but would have knock-on effects on energy provision, housing, social conditions and healthcare

**DESIRED
OUTCOMES**
What should
be focus on?



- Respond quickly & decisively – to be aware of changes and emerging technologies in the global economy, and to be able to maximise opportunities and reduce the risks and constraints in adopting these new practices; to understand how the workforce must adapt to ensure participation and production remain consistent.

To achieve a diverse and resilient growth economy, the Grow Economic Competitiveness portfolio will need to focus on achieving the following outcomes:

- Grow/diversify economy – to build on existing successes in the economy and to identify new opportunities in the finance sector, the digital economy, enterprise, air route development, and energy resilience.
- Enable future workforce – to better equip current and future islanders with the relevant skills to allow them to meet their potential and contribute to a varied, productive and talented workforce, including upskilling for older Islanders
- Promote the Island's strengths and opportunities – to negotiate new trade/service agreements, meet increasingly critical global rules and standards, and to demonstrate Guernsey is 'open for business'

In 2018 the States agreed a number of actions through the States of Guernsey Economic Development Strategy. The majority have since been re-affirmed through the various iterations of the Government Work Plan.

The prioritised workstreams demonstrate the interdependencies to workstreams in the Maintain Public Service Resilience and Governance portfolio, particularly efforts to increase the availability of Key Worker Housing, and the need to increase States' income.

Workstream	Committee
<p>Housing supply and affordability – this will provide targeted improvements to housing capacity, affordability and suitability in the housing market</p>	<p>Strategic Housing Action and Delivery Plan – Phase 1</p> <p>P&RC/E&I/ESS</p>
<p>Electricity Resilience – this will ensure security of supply and the appropriate controls for existing and new technologies.</p>	<p>Develop a licensing regime for renewables</p> <p>ED</p>
	<p>Implement Electricity Strategy – phase 1; Guernsey Renewable Energy Commission</p> <p>ED/E&I</p>
	<p>Actions to develop a Blue Economy Plan</p> <p>E&I</p>
	<p>Confirm arrangements for leasing of seabed</p> <p>P&RC</p>
<p>Skills for work - this will facilitate greater productivity in the economy, sustain growth, and reduce poverty. To deliver progress above the baseline through the Skills Action Plan, funding and resourcing will be required.</p>	<p>Deliver skills initiatives in partnership with business and employers, including the establishment of a Skills Development Agency to facilitate non-government delivery and external funding for service delivery</p> <p>ED/ESC</p>

	<p>Participation in work – this will support the capacity of the Island's workforce so that it remains a desirable and competitive jurisdiction, and will ensure that the Island can meet the needs of the economy with the necessary housing and infrastructure.</p>	<p>SOHWELL Phase 3 – Occupational Health Strategy and implementation plan</p> <p>Securing delivery of Population & Immigration Policy through cross committee States extant resolutions</p>	<p>ESS</p> <p>As relevant</p>
	<p>Free Trade Agreements & Related International Obligations – workstreams to provide access, stability, and predictability to markets through international trade agreements and meeting required international standards</p>	<p>Continued trade negotiations working with the UK, at a pace set by the UK owns ambitions (incl. WTO compliance, governance, international engagement, international treaty work, bilateral trade negotiations) etc.</p>	<p>ED</p>
		<p>Prepare for MoneyVal 2024 evaluation and ongoing cycle</p>	<p>HA/PRC</p>
		<p>Develop pathway to net zero and move toward implementation of the Paris Agreement on climate change and facilitate its ongoing compliance</p>	<p>E&I</p>
		<p>Delivery of the Strategy for Nature as a commissioned service - the approved strategy for nature moves towards UN Convention on Biological Diversity compliance</p>	<p>E&I</p>
	<p>Finance Sector Development - the sector is the central pillar of Guernsey's economy and will continue to be so, and must be supported accordingly.</p>	<p>Green Economy Plan – phase 1 - develop and transition to biodiversity net gain</p>	<p>E&I</p>
		<p>Support Finance Sector development</p>	<p>ED</p>

	Secure Transport Connectivity & Infrastructure - Maintaining and improving air and sea route connectivity is critical to economic activity on the island, serving the needs of residents, businesses, and visitors.	Support Air Route connectivity	ED
		Conclude the Guernsey Airport Runway Extension Study	ED
		Development of the general and commercial aviation sectors	ED
		Secure sea link connectivity	ED
	Accelerate the Digital Economy – this is a vital economic enabler including next generation infrastructure, regulation and legislation to maintain global competitiveness.	Digital Framework – develop action plans and monitor impacts	ED
		Enabling Digital Infrastructure	ED
	Unlock Enterprise - an Enterprise Plan has been completed with a plan drafted listing potential area of intervention to support entrepreneurial growth and innovation.	Implement two year pilot of the Guernsey Enterprise Investment Scheme	ED

	Regeneration – this will ensure that the island’s infrastructure does not restrict essential development	Develop Local Planning Briefs for harbour action areas	DPA
		Establish Guernsey Development Agency	PRC
		Agree future direction for Harbours	P&RC/E&I/ STSB
		Ensure island’s infrastructure is fit for purpose e.g. determine the future strategic use of Les Vardes	E&I/P&RC
CHALLENGES What might constrain our work?	Multiple workstreams	There are a number of workstreams across Committees that will need to be successfully managed and completed in order of the local economy to benefit in terms of diversity and growth	
	External pressures	Ongoing monitoring of the global situation is vital so that external pressures around international standards & compliance can be anticipated and managed so as to mitigate negative impacts and take advantage of new opportunities. Guernsey needs to respond to the growing pace of work by the UK Government, UK Parliament as well as Jersey and the Isle of Man. Doing this with fewer resources can be a challenge require balance of adequate resources, effectiveness, productivity and innovation	
	Ensuring clarity of accountability and responsibility	Multiple Committees will be required to work together, so it is essential that all parties understand who is responsible for which action so that solutions are brought forward swiftly	
	Risk appetite	Is the level of risk appetite aligned with our existing regulatory frameworks, particularly with regard to competition and financial services; are we prepared to be more flexible in our approach to risk which might bring economic reward?	
	Multi-jurisdictional decision making	Many businesses operating in the Island are multi-jurisdictional and may not consider Guernsey a main priority in their decision-making. We must be aware of the mobility of businesses so they continue to contribute to the local economy	
	Pace of technological change	Emergent technologies are generally out of the island’s control, and the pace of change can create obstacles rather than opportunities if not anticipated and adapted to	

