

**THE STATES OF DELIBERATION**  
**of the**  
**ISLAND OF GUERNSEY**

**POLICY & RESOURCES COMMITTEE**

GOVERNMENT WORK PLAN  
MONITORING REPORT AND END OF TERM COMMITTEE REPORTS

The States are asked to decide:-

Whether, after consideration of the Policy Letter entitled “Government Work Plan Monitoring Report and End of Term Committee Reports” dated 20<sup>th</sup> March 2025 they are of the opinion:-

1. To note the 2024-25 Government Work Plan Monitoring Report at Appendix 1.
2. To note at Appendix 2 the End of Term Handover Reports prepared by all Committees (which includes Authorities and Boards).
3. To direct the Policy & Resources Committee to return the Government Work Plan to the successor Assembly as soon as practicable further to working with the Principal Committees to update the strategic portfolios with the work to progress the wellbeing of islanders and the economy that must be delivered in the next political term by States Committees.
4. To direct the Policy & Resources Committee to bring forward a term-by-term policy development and legislative drafting programme for primary and secondary legislation, phased to support the objectives of the States’ Government Work Plan.

The above Propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1) of the Rules of Procedure of the States of Deliberation and their Committees.

**THE STATES OF DELIBERATION**  
**of the**  
**ISLAND OF GUERNSEY**

**POLICY & RESOURCES COMMITTEE**

**GOVERNMENT WORK PLAN  
MONITORING REPORT AND END OF TERM COMMITTEE REPORTS**

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

20<sup>th</sup> March 2025

Dear Sir

**1 Executive Summary**

- 1.1 This term the States have committed to a 'Whole of Government Approach' to its prioritisation of objectives and resources. The Government Work Plan (GWP) has been organised into three inter-connected portfolios – of public service resilience, of sustainable health and social care services, and of housing, infrastructure and economy.
- 1.2 Our continued economic success will be underpinned by investment in high-quality infrastructure, homes, and skilled labour. Investing in new, well-connected communities with energy-efficient homes, healthcare, education, and social services will contribute to a stable and thriving Island, which is vital for retaining and attracting a productive and engaged workforce.
- 1.3 Understanding and managing the pressures on the jurisdiction, interpreting its competitive advantages, and leveraging its opportunities, should be instrumental in shaping its economy, community, and international identity; to navigate challenges, diversify its economy, and enhance its position as a safe and secure Crown Dependency in an increasingly uncertain world.
- 1.4 The successor Assembly is encouraged to continue with a clear focus on these three strategic portfolios, which combined, will position Guernsey as a competitive economy, and a safe and secure place to live.

## **2 Introduction**

- 2.1 The Policy & Resources Committee is under Resolution to lay an 'End of Term' policy letter in the last year of the current Assembly. It must include:
- its commentary on progress against the Government Work Plan in a 2024-25 Government Work Plan Monitoring Report;
  - identification of States Resolutions which remain outstanding;
  - a proposed order of priority for the drafting of significant items of legislation for the year ahead; and
  - end of term handover reports prepared by all Committees (which includes Authorities, Boards and other States' bodies).
- 2.2 The States of Deliberation have already considered separately their Resolutions which remain outstanding<sup>1</sup>, with updates from the responsible Committees. Likewise, they have resolved the current order of priority for the drafting of significant items of legislation for the year ahead<sup>2</sup>.
- 2.3 This Policy Letter transmits to the Assembly, attached as separate publications, the Policy & Resources Committee's commentary on progress in a 2024-25 Government Work Plan Monitoring Report (Appendix 1) which includes the first of two 'Participation in Work Findings Reports'; and the End of Term reports prepared by all Committees (Appendix 2). The Resolution is now fully discharged.
- 2.4 Additionally the Policy & Resources Committee is taking the opportunity to reflect on this new approach to leadership and coordination of the work of the States. It is hoped that the endorsement of the GWP by this Assembly will assist its successor to bring forward coordinated policy, legislation, and delivery proposals in the most critical areas without delay incurred by extensive revisiting. The new States of Deliberation will therefore be able to ensure that their energies and limited resources are invested in productive work from the outset.

## **3 Background**

- 3.1 Developed at the beginning of this political term, the GWP has drawn on the 'Whole of Government Approach' to bring together activities performed by the Committees of the States, the public service and public agencies to provide solutions where cross-boundary working or coordination is required. This proven approach had delivered a swift and effective response to COVID-19 with excellent outcomes for islanders.

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<sup>1</sup> [Billet d'État No. III of 2025 - Reporting Progress on Extant States' Resolutions policy letter](#)

<sup>2</sup> [Billet d'État No. XVI of 2024 - Prioritisation of Legislative Drafting policy letter](#)

- 3.2 This approach remains appropriate given the urgent need for heightened efficiency and effectiveness in addressing contemporary issues. During this term, the GWP has matured to identify the work necessary to achieve agreed outcomes aligned with the UN Better Life Sustainability Goals<sup>3</sup> and to reflect the work needed as an independent jurisdiction in a fast-changing world.
- 3.3 As a plan for government business, and working together in exercising their mandate responsibilities, the Committees should achieve more and faster by not working in isolation on the longer-term strategic issues established in the three GWP portfolios. This approach optimises effort by using all resources available in the public sector which in Guernsey is structured to work across mandates to maximise effectiveness.
- 3.4 Jurisdictional pressures and other responsibilities are now recognised transparently through Committee Work Plans (CWPs) in order to bring visibility to the volume of work demanded in running and governing an independent jurisdiction with limited resources and increasing pressures. The End of Term reports provide updates on this work.

#### **4 Emerging issues**

- 4.1 The Committee has received updates on emerging issues which will inform the work of its successor, and working with the successor Committees of the States it will update and return the GWP to the new Assembly.
- 4.2 Guernsey has started on a multi-term mission. Its new approach to longer-term planning, and future-looking focus on education, on healthcare, on infrastructure and on sustainability, will lead it to become successful and resilient.
- 4.3 Creating new living and working environments will be critical for islanders and those new to our shores. This will see new workstreams come forward through the housing, infrastructure, and economy strategic portfolio early in the next term, while established work continues under the other portfolios.
- 4.4 As a jurisdiction we offer safety, family life, community spirit, scenic beauty and a rich heritage and we must protect these qualities as we invest in our economy through the regeneration of St Sampson's.
- 4.5 This means building high-quality infrastructure for modern industries, especially digital and technology-driven sectors, and establishing new neighbourhoods, well-connected with road and pedestrian infrastructure and attractive public space - not just building houses.

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<sup>3</sup> [UN Sustainable Development Goals](#)



- 4.6 Preventing community strain and finding the right balance to maintain the quality of life that makes Guernsey desirable and special must not be overlooked. Every change has an impact and must be carefully considered in the wider context of island life. There can be tension with the need to bring in people for work to deliver the demands made on the public service and industry and securing their contribution to government revenues; pressure on infrastructure, housing, traffic, services, and an associated decreasing quality of life that results if home-building impacts retaining our green space.
- 4.7 We need to consider all parts of our community as we move forward, including young people and the elderly, and ensure that we continue the programme to modernise our legislation to support community inclusion.

## **5 Next steps**

### *Strategic portfolios*

- 5.1 The portfolios act as long-term strategic plans laying out interconnected roadmaps for sustainable public services and economic wellbeing in a modern and respectful community.
- 5.2 Each term the incoming Assembly will review and adjust these plans to ensure the Island remains on course with the long-term objectives and can adapt to changing global economic and environmental conditions.
- 5.3 The Policy & Resources Committee monitors the decisions made by the Assembly as progress is made delivering the outputs from each of the portfolios. It will recommend to its successor that the Statements of Work agreed in January 2024 are updated as a consequence of this work and the decisions of the current Assembly, to be returned to the new States for endorsement as soon as is practicable. These are very important as they will guide the successor Policy & Resources Committee as it progresses its work on ensuring sustainable public finances, and in bringing recommendations to the Assembly on the priority investment decisions forming the Major Projects Portfolio.
- 5.4 Resourcing and funding decisions will continue to be based on the extant GWP until such time as its update is agreed by the new Assembly.
- 5.5 Individual successor Committees must review within the first few months of the term their ongoing legislative demands and Resolution commitments, and their contributions to the GWP. Thereafter they can update their CWP with the strategic policy development and legislative needs engaging their mandates once the new Assembly has agreed the 2026-29 GWP.

### *Legislative programme*

- 5.6 More recent decisions of the States resulting from the 2025 Budget have directed the introduction of, or significant amendment to, existing legislation for the restructure of the social security contributions system, changes to Income Tax and the introduction of a Goods and Services Tax.
- 5.7 These alone are highly likely to absorb large amounts of policy development, legal and drafting capacity. This will have a direct impact on the capacity to develop proposals and conclude legislative drafting on wider matters, including law and order, social and health policies. Additionally it is coupled with the need to conclude and address other aspects of strategic priority, in line with the GWP, including but not limited to:
- post-Brexit requirements;
  - housing provisions; and
  - changes to deliver improved sustainability of health and care services.
- 5.8 By developing a forward-looking programme for the next political term, the Policy & Resources Committee will be better placed to recommend the phasing necessary to achieve the policy development and drafting requirements according to the urgency within each strategic portfolio and our jurisdictional risk and obligations, alongside its deeper understanding of the organisation's available capacity. In turn, this will enable the Assembly to make better informed decisions for the term, as it will have greater visibility on what is needed to be completed within the term, what priority these should have, and why, and so approve a programme which is more likely to be achieved and enacted.
- 5.9 Looking forward to the next term of government, work is underway to capture all the known legislative drafting needs, whether recently identified, long-time planned, or already underway and likely to complete after April 2025.
- 5.10 Further detail as necessary will be secured to inform future prioritisation decisions including stage of development; estimated duration to commencement; any target commencement date and why; and what resources are required to fully implement. The Policy & Resources Committee will then recommend to the Assembly that a term-by-term policy development, and legislative drafting programme where necessary, is established for primary and secondary legislation, coordinated and phased to support the objectives of the GWP. Monitoring will be extended to ensure timely enactment and commencement.

## **6 Summary**

- 6.1 This short report encloses the GWP monitoring report and the end of term handover reports from the States Committees for their successors and the community. In discharging these responsibilities, the Policy & Resources Committees asks the States:
- a. To note the 2024-25 Government Work Plan Monitoring Report.
  - b. To note end of term handover reports prepared by all Committees (which includes Authorities and Boards).
  - c. To direct the Policy & Resources Committee to return the Government Work Plan to the successor Assembly as soon as practicable further to working with the Principal Committees to update the strategic portfolios with the work to progress the wellbeing of islanders and the economy that must be delivered in the next political term by States Committees.
  - d. To direct the Policy & Resources Committee to bring forward a term-by-term policy development and legislative drafting programme for primary and secondary legislation, phased to support the objectives of the States' Government Work Plan.

## **7 Compliance with Rule 4**

- 7.1 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.
- 7.2 The following information is provided in conformity with Rule 4(1):
- a) The Propositions accord with the States' objectives and policy plans, their Rules, and discharges an extant resolution.
  - b) In preparing the propositions and policy letter, consultation has been undertaken with States' Committees.
  - c) The Propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.
  - d) There are no direct financial implications to the States of carrying the proposals into effect.

7.3 For the purposes of Rule 4(2):

- a) The Propositions engage the Committee's mandate regarding the leadership and co-ordination of government policy planning and overseeing the policy planning cycle; and developing and promoting the States' overall policy objectives.
- b) It is confirmed that each of the Propositions have the unanimous support of the Committee.

Yours faithfully

L S Trott, OBE  
President

H J R Soulsby, MBE  
Vice President

J P Le Tocq  
R C Murray  
J A B Gollop



States of  
Guernsey

# GOVERNMENT WORK PLAN

STRATEGIC PORTFOLIO  
MONITORING REPORT





# SUMMARY

**The work of the current States' Assembly has been set against a challenging economic picture as, in common with neighbouring jurisdictions, we have sought to recover from the effects of the COVID-19 pandemic, transition into the post-Brexit period, and respond to the impact of the war in Ukraine. There has been a period of uncomfortably high inflation suppressing real terms economic growth; very substantial increases in interest rates by the Bank of England; and significant cost of living challenges.**

Locally, high levels of net migration and pressures on housing costs coupled with constrained supply of rental properties in particular has placed extraordinary pressure on the private rental market where prices continue to increase year on year faster than both RPIX and earnings. Collectively, this means that finances have been challenging for many households.

Housing is the number one domestic priority for the States of Guernsey, both as a government and as an employer. Progress has been made during this political term to bring forward a number of housing projects, nevertheless, the nature of construction projects means that there will be a lag until these units are available. Continued demand means that the next Assembly will need to maintain a pipeline of funded projects to support housing supply and affordability.





However, with both inflation and interest rates expected to keep falling through 2025, conditions over the next political term should feel less pressured, particularly as additional housing is developed to ease supply constraints, barring other geopolitical events outside our control.

This improving picture, coupled with the steps taken by the Assembly this term to approve a package of revenue raising measures which will diversify and extend the tax base, should provide much needed sustainability in public finances and the opportunity for the successor Assembly to accelerate the programme of work identified by the States of Guernsey in their strategic portfolios to invest in islanders and our island.

## INTRODUCTION

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Developed at the beginning of this political term, the Government Work Plan has drawn on a whole of government approach to bring together activities performed by the Committees of the States, the public sector and public agencies to provide solutions where coordinated working is required. This is the last in a number of monitoring reports published this term and covers the period from January 2024 – February 2025.



STRATEGIC PORTFOLIO

**MAINTAIN PUBLIC  
SERVICE RESILIENCE,  
SECURITY &  
GOVERNANCE**





Meeting the current and future needs of our community requires the long-term sustainability of public finances; considered investment in essential infrastructure and technology; and the delivery of effective and accessible public services. We have limited resources – both financial and human – and we need to focus our energies where they are most needed in order to shape and safeguard the services and facilities that our community and economy rely upon.

Much work has been undertaken this term to reset and refocus key government activity and address previous operational risks. The public service is better placed, and has access to better information, to support its continued evolution. Large scale transformation

programmes, including MyGov, have been reviewed and restructured; business continuity arrangements have been enhanced and regularly tested; and previously retained risks have been addressed, including by removing the reliance on legacy systems.

There is now greater focus and capacity to progress the digital agenda, with the development of new government websites underway that will support our plans for the phased rollout of digital services through MyGov.

More information is now available in the annual accounts, with the States of Guernsey's 2024 Annual Accounts due to be fully compliant with IPSAS<sup>1</sup>.

<sup>1</sup> IPSAS – International Public Sector Accounting Standards



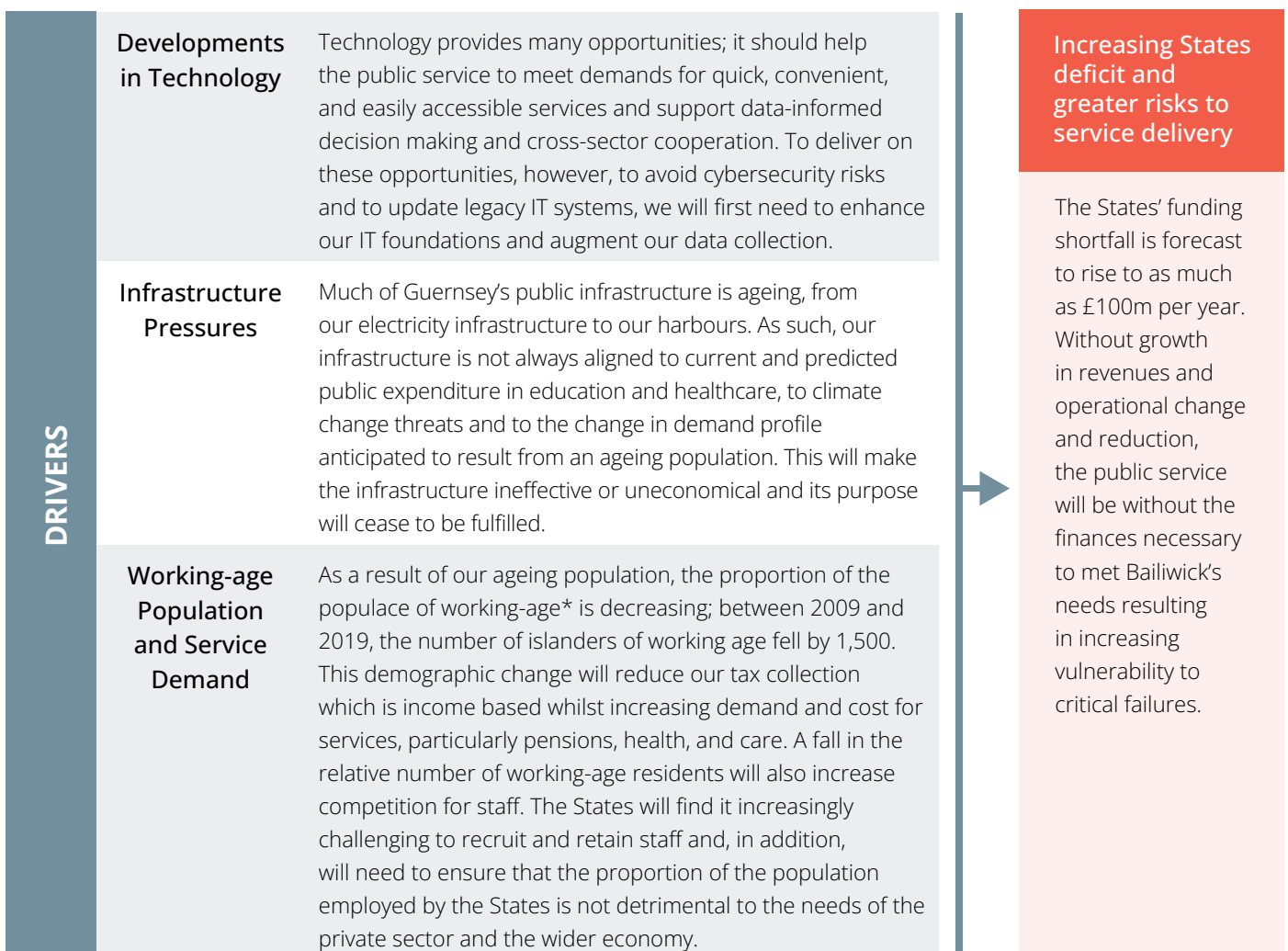
## STRATEGIC POLICY PROGRAMME MAINTAIN PUBLIC SERVICE RESILIENCE, SECURITY & GOVERNANCE

Guernsey's government needs to ensure robust public services that respond effectively to the unexpected

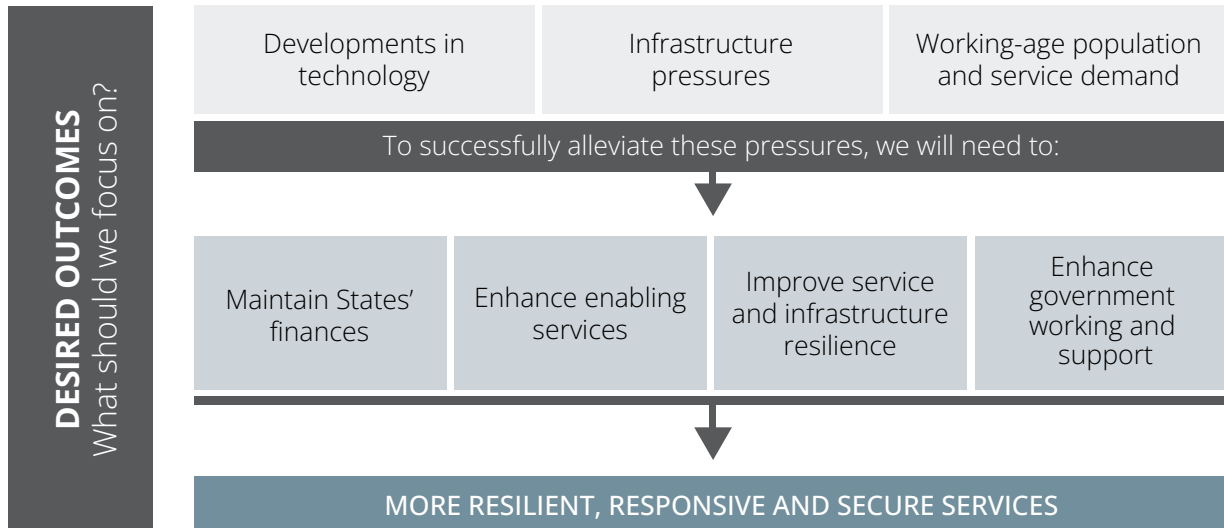
### THE PROBLEM

#### WHY DO WE NEED TO ACT?

Economic uncertainty, the ageing population, climate change, underinvestment 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.



\*For the purpose of reporting local statistics, the current definition of 'working-age' includes all residents between the age of 16 and 64.



To improve the resilience, security and governance of public services, the Programme 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, 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.

# MAINTAIN PUBLIC FINANCES

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## Sustainable Public Finances

We have been operating a structural imbalance in our finances for a number of years, requiring an unsustainable reliance on historical reserves. This has been compounded by

- the growing demand for services to meet increasingly complex needs and support a changing population – in particular in health and care, and in special educational needs and disability
- a deepening understanding that the largest cohort of non-employed people is those approaching state pension age who have the financial means to exit the workforce early, meaning they are unlikely to be incentivised to return to work
- a tax system historically reliant on income-based taxes making Guernsey's finances particularly vulnerable to demographic change; and

- a sustained period of underinvestment in the Island's infrastructure which has resulted in both a significant slowdown in essential major projects, and the need to develop capacity for ongoing and sustainable future investment in infrastructure.

In January 2023, Standard & Poor (S&P) downgraded Guernsey's sovereign credit rating from an AA- rating to A+ based on "Guernsey's fiscal deficits and drawdowns from its financial assets". The report, which spanned four years from 2022 to 2026, expected Guernsey would likely push ahead with its significant capital spending programme despite forecast deficits over this period and noted the key driver for the downgrade was the significant erosion of cash reserves. The 2024 S&P report noted a credit rating of A+ with a stable outlook, acknowledging the decision made by the Assembly to improve the financial position through the 2025 Budget.

The current States have agreed a package of tax reforms, including reshaping the personal income tax and social

security contributions systems to make these more progressive, paired with a Goods and Services Tax (GST) to deliver additional revenue and diversify the tax base. The changes are designed to improve the financial position of lower- and middle-income households while asking more of higher income households and the corporate sector.

This is a complex programme of work with significant policy, legislative and operational requirements to be delivered ahead of implementation by the middle of next term. Key policy decisions will need to be made early by the new Assembly, most notably, whether GST should be levied on food and the treatment of Sark. These decisions will inform the final rate and structure of the GST adopted, as well as the timeline for implementation.

Separately, legislation is now in force to implement the OECD Pillar 2 model rules locally, creating a 15% effective tax rate for certain large multinational enterprises for any profits derived in Guernsey after 1st January 2025. This is forecast to raise up to an estimated £30m additional revenue, albeit the first actual receipts are not anticipated until 2027 once the first full reporting cycle is complete.

Collectively, the approved tax reforms are an important step towards long-term fiscal sustainability. There is much

more work needed to develop the full policy and supporting legislation. If for any reason they are not implemented in full, or their implementation is delayed, the new States will face significant and immediate financial challenges.

The successor Assembly will additionally need to conclude considerations centred on the model for long-term care provision and its funding, noting that the decisions taken this term should stabilise and incentivise growth in the private care market (including introducing a financial contribution from eligible care users) in the short to medium term, but will also significantly shorten the lifespan of the Long-Term Care Insurance Fund. The Assembly will need to make decisions that ensure the model meets growing demand and is sustainable, affordable and fair in the medium to long-term. This work will need to align with the outcomes of the Fundamental Services Review, wider taxation policy and work established by the Government Work Plan to support the sustainability of the health and care system.

Given the changing demographic, the new Assembly will additionally need to continue to progress initiatives aimed at helping people to remain healthy and active in the workforce to maintain income tax and social security contributions revenue and support



economic growth and productivity. Various steps have been, or will be, taken to encourage participation in work, and are explored more deeply in the housing, infrastructure and economy portfolio and the attached 'Participation in Work Findings Report'.

Finally, the States will need to approve a new Fiscal Policy Framework. While the guiding principle should remain unchanged – long-term permanent balance – revisions are needed to reflect recent changes to the way in which GDP is calculated, as well as the adoption of IPSAS. The Framework will also need to consider the States' historically challenging relationship with investment in infrastructure, and the long-term implications of underinvestment for economic growth and financial stability.

Against the above context, the incoming Assembly will need to endorse the Government Work Plan and determine the priorities for the enabling Major Projects Portfolio. In turn it will approve a revised Funding & Investment Plan — a strategic framework designed to address the financial needs of the States of Guernsey in the medium term given its strategic priorities. This Plan ensures sustainable financial management as the States work to progress their long-term goals.

## Major Projects Portfolio

High quality and reliable public infrastructure is fundamental to the effective delivery of public services, economic prosperity and wellbeing. It is vital that we invest in assets and infrastructure; that is part of how we sustain the economy, and failure to do so will suppress economic growth in the long term.

Investment in recent years has however been constrained both by the funding available and capacity to deliver, and this means that we have fallen short of the agreed capital expenditure target of 2% GDP and significantly short of the 3% target more recently recommended by the Fiscal Policy Panel but which the Assembly did not accept. Financial and delivery constraints have also resulted in a more frequent review and revision of the Major Projects Portfolio than is constructive for a smooth delivery of prioritised projects. While this may have been necessary, given the fiscal situation, the uncertainty and disruption have added to delays.

This has led to a build-up of investment requirements. That demand, along with the new schemes being identified, will need to be carefully prioritised in future to balance the need to maintain public infrastructure, and invest for growth, with the States' financial and operational capacity to deliver.



The delivery cost of the current portfolio has increased as a result of project delays and inflationary pressures. In order to address this, and to manage the short term deficit position anticipated before the implementation of tax reform is completed, the portfolio period has been extended to 2027. This will allow it to be delivered in full – and provide opportunity for the next Assembly to approve scope changes to the much-needed development and expansion of the hospital following recent value engineering. However, it is reliant on sufficient surpluses being delivered in the next two years to meet the additional costs to avoid further erosion of the States' reserves, which have diminished significantly in recent years and are now below the States' own agreed minimum level.

Additionally, it will mean that the new Assembly will have extremely limited funding available for its capital investment priorities with the full portfolio's delivery costs currently estimated to likely exceed £1bn. The tax reform agreed

by the States will be sufficient to fund investment at a level averaging 2% GDP per annum which should be sufficient to generate surpluses to invest in routine and major projects moving forward, but does not take into account clearing the delayed projects or the need to replenish the reserves from their current low levels.

The successor Assembly will need to make some difficult decisions on how to prioritise a significant number of potential major projects within a maximum of c£150m funding (c.0.9% GDP) for the full political term. These decisions will need to be guided by the priorities expressed in the Government Work Plan which is the tool the States use to agree their most pressing matters.

There will be further decisions to be made by the community centred on how more revenue will be raised to address the shortfall for major projects and/or to rebuild reserves.

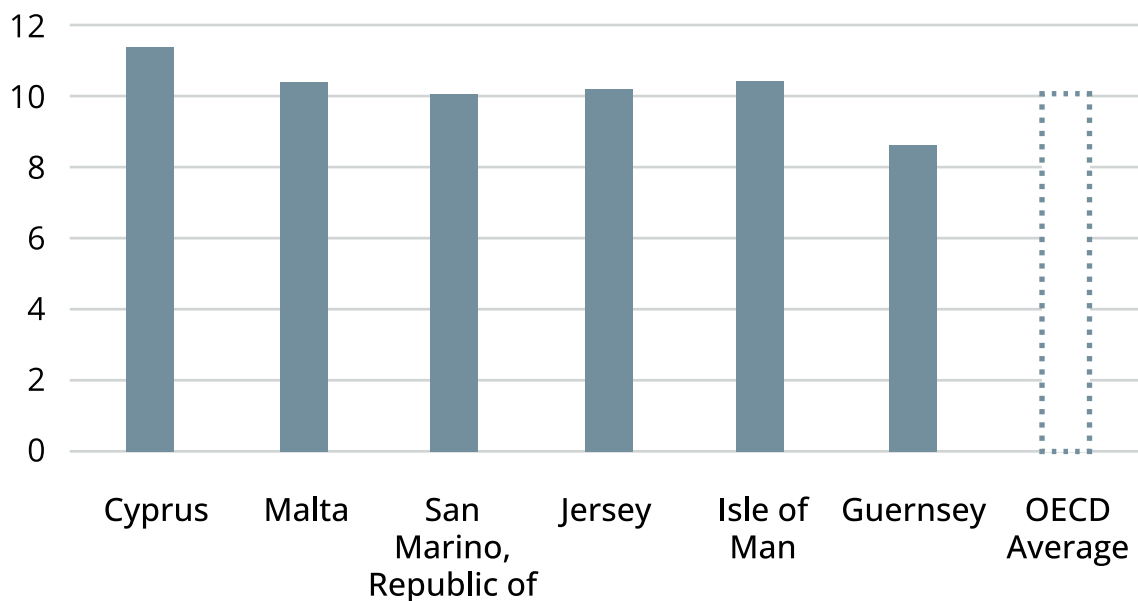
## Value and efficiency

When considering savings it is important to note that Guernsey is a low-cost jurisdiction and operates at a lower cost per capita for public services than Jersey, the Isle of Man and the UK despite not having the same economies of scale. Guernsey spends less as a percentage of GDP than other small jurisdiction on public sector pay, public law and order, economic affairs, recreation sport and culture, and social protections (such as

pensions and benefits). Only in delivery of health and care services does Guernsey's spending as a percentage of GDP match the OECD average.

This highlights the challenges of delivering any significant savings without a corresponding reduction in public services, especially given the multiple spending reviews that have already taken place over the last 15 years.

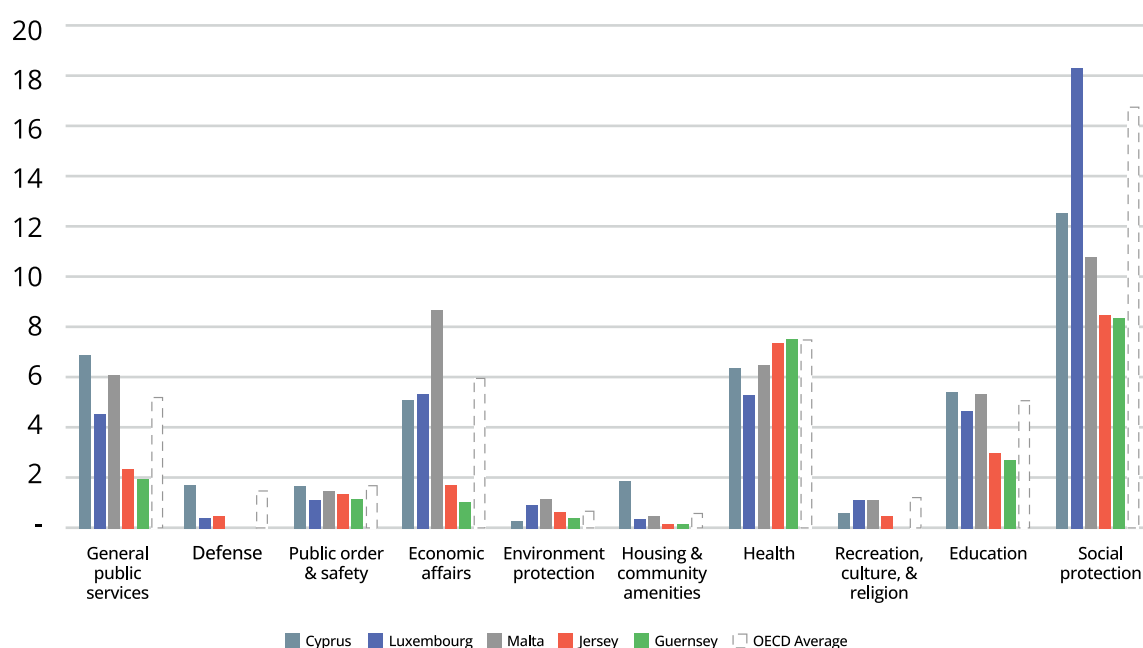
Fig x. Public sector wage bill comparison as a % of GDP, 2022<sup>2</sup>



<sup>2</sup> IMF Government Financial Statistics - Compensation for employees, States of Jersey Accounts, Isle of Man Central Management Accounts – March 2023, States of Guernsey, OECD National Accounts at a Glance



Fig x. Government spending by category as a % of GDP, 2021<sup>3</sup>



As part of the States' decisions in the 2023 Tax Review debate, a working group was established to develop a series of recommendations centred on four key themes; digitalisation, restricting or limiting payments based on relative need; operational improvements to improve efficiency and strategic transformation. Its work was published in 2024, and the shortlisted initiatives will be prioritised by incoming Committees.

Although there is significant focus on the cost of services, in reality, the most achievable savings have already

been banked. The successor Assembly will therefore be asked to progress a Fundamental Services Review; a comprehensive and objective assessment of the services delivered by the States (including internal corporate services) before deciding where and whether services can be stopped, changed or costs reduced. This work will need to be undertaken collaboratively across the Assembly. The earliest that any budget reductions might be realised is 2026, but more likely 2027.

**3** IMF Government Financial Statistics - COFOG expenditure as a % of GDP, Statistics Jersey and States of Jersey Accounts, States of Guernsey

# ENHANCE ENABLING SERVICES

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## Delivery Model

The States of Guernsey are supported by a public service with wide-ranging skills and experience to deliver the complex mix of services, policy, legislation, and administration to government, and is focused daily on providing high-quality services to our community. It ensures that, through proportionate compliance with international obligations, we are able to support and foster our wider economy.

We need to address and prepare for growing service demand, particularly in areas such as health and care. This increase is being driven by more people living longer — but not necessarily in good health — and with an increase in their complexity of needs to be met. As things stand, public service resources will become increasingly overstretched. This is at the same time as recruitment and retention is becoming more difficult, particularly in some professions.

Under the leadership of the Chief Executive & Head of the Public Service, steps continue to be taken to ensure that

the States of Guernsey are an employer of choice. We need to make sure that we attract, recruit, and retain the staff that we need, often in an internationally competitive recruitment market. This means supporting our staff in their current roles, as well as looking at how to support their future progression in line with organisation need, and creating an environment which supports high performance. An external assurance review is ongoing in respect of the States of Guernsey's performance management processes and to validate their alignment with best practice.

There has been a particular operational focus on strategic workforce planning, ensuring that there is an appropriate understanding of future needs and the people, technologies and employment models required to achieve these. Steps have been taken throughout this term to evolve the enabling services; those services which are provided corporately but are essential to all Committees in the delivery of their mandates. The States Property Unit – formed to rationalise and enable efficiencies in the management

of the States' property assets – is now well-embedded, providing property and facilities management as well as strategic advice on the States' land and property management. The Treasury and Finance functions have evolved to better acknowledge their respective roles in the organisation and enhance the support available to committees, and the HR function is currently undergoing its own transformation programme to strengthen the strategic support and advice available to operational areas through the Business Partnering Model. This will support the practical implementation of the recently launched People Strategy which focuses on how to support and develop the public sector.

We have invested in commissioning. Commissioning is not new but through a dedicated but small team, we've focused on providing additional capacity to better coordinate and support how we can work with service users and delivery partners to design new ways of working which achieve better outcomes for the community. This will become increasingly important in the coming years as we progress a number of transformation initiatives, especially in respect of health and care services.

On the theme of accelerating service improvement, steps are underway to appoint to a Delivery & Innovation Unit



which will be able to provide targeted task-and-finish support to address key organisational challenges, redesign services and improve outcomes. Additional strengthening for the very busy Office of the Committee for Health & Social Care and its policy development and operational teams has also been agreed by the States with the impact of minimal extra resources already better managing the demand requirements in these areas.

Housing is an important consideration for the States of Guernsey, both as a government and as an employer. Continued pressure on supply and affordability means that the next Assembly will need to maintain a pipeline of funded projects to support housing supply and affordability. Further information is included in the housing, infrastructure and economy strategic portfolio.

## Digitalisation and technology

Effective and resilient IT services are a fundamental requirement for the day-to-day delivery of the public service. Technology has a crucial role to play in facilitating how services are coordinated and delivered, including responding to growing demand and expectation. Resetting and refocusing our approach towards IT has been a key aim through this term.

Following high-profile outages in 2022, additional investment allowed existing improvement plans to be accelerated, addressing previous operational risks, improving system resilience, and ensuring compliance with best practice. There has been considerable investment in improving the efficiency and productivity of public sector employees by better understanding service needs, identifying and monitoring key performance indicators, and holding providers to account. This has been supported by a strengthened structure and operating model for IT and digital services which provides the capacity and skillset to best support the future evolution of services.

A revised Digital Strategy has been developed and provides the framework to inform, monitor and improve day-to-day IT services, and support and drive

forward digital innovation. The Strategy contains ambitious key performance indicators to reinforce and support the States' existing digital ambitions, while at the same time increasing public trust and engagement in digital services going forward.

The key objectives of the strategy are to:

- Enhance digital government services, making them secure, accessible, and user-friendly.
- Improve infrastructure, cybersecurity, and digital skills across the public and private sectors.
- Ensure data is treated as a strategic asset, improving decision-making and public service delivery.
- Foster innovation and collaboration between government, businesses, and educational institutions.
- Strengthen digital leadership and governance to drive transformation.

The preparatory work undertaken this term means that we are in the best possible position over the next term to improve our IT maturity further, increase our use of digital services to improve the services we offer customers, and redesign our working practices. Central to this will be MyGov Digital, a single digital portal for government services,

which will enable the public to update personal details, submit forms, access important information, make online payments, and more. There has been extensive work this term, including a comprehensive tendering process, which has informed the engagement of an external implementation partner and a phased rollout will take place over the course of next term. In addition, the ageing [www.gov.gg](http://www.gov.gg) will be redeveloped to make it more user-friendly and navigable with a new dedicated parliamentary site exclusively for the administration of States Meetings.

# ENHANCE GOVERNMENT WORKING AND SUPPORT

## Bailiwick relationships

Community engagement will continue to be important next term including when looking at relationships across the Bailiwick. There is opportunity — subject to agreement from all islands — to rearticulate our desired relationships and identify future opportunities, building upon the discussions which have taken place this term.

Before the end of this term it is anticipated that the States will be asked to support the formation of a Bailiwick Commission. The relationship between Guernsey and Alderney should be resettled to ensure that both sides have a clear and shared understanding of the parameters and reasonable expectations. Such consideration should not be limited to a backward looking review of the 1948 Agreement but should instead be forward looking. It should consider the entire breadth of the relationship to





ensure that any future arrangement is fit for purpose. Furthermore, it is envisaged that any work should also invite Sark to take part to enable a Bailiwick-wide approach. There are likely to be issues explored which would be of interest to Sark even though it has a different constitutional relationship with Guernsey (there being no fiscal union or official “transferred services”).

## Machinery of Government

A broad review of the operation of government and options for its enhancement was published in 2024 in response to a Government Reform Requête. While the Assembly has directed a review be undertaken on the number of States Members, a wider assessment on the efficacy and efficiency of the current system would continue to have merit at the appropriate juncture. While it would not be appropriate for this to include the public service, the relationship between political members and the public service is paramount to the effective discharge of government business and would merit further consideration during the next term, including the merits of putting the role of the public service on a statutory footing.





STRATEGIC PORTFOLIO

**SUSTAINABLE  
HEALTH & CARE  
SERVICES**

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

The ultimate aim of this portfolio is to develop a sustainable model of health and care delivery for the future. The pressures on health and care services in the Bailiwick are significant and are unlikely to ease. This means that in order to continue to provide the quality and scope of health and care services for islanders, we cannot continue to do things in the same way. However, this is not about making some efficiencies here and there — it is fundamental that a whole-system model approach is taken to ensure that services are provided by the right provider in the most effective and efficient way. This includes thinking differently, working differently and maximising innovation.

This will include, among other things, embracing modern technology and innovative working practices, and introducing activities which address the unsustainable pressures on the health and care system, and their resulting costs.

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](#)<sup>4</sup>.

This portfolio is a multi-term programme of work established by the current Assembly to progress its Partnership of Purpose strategy developed and approved pre-COVID. The need to deliver this strategy's aims becomes more pressing every day as the pressures and demands on our health and care system continue to grow.

To help manage these demands, critical enablers are already underway such as the electronic patient record and the modernisation of the hospital established in the Major Projects Portfolio. Equally, activities already prioritised in the other two strategic portfolios will support this portfolio because of their impact more widely on the delivery of public services (to drive greater efficiency and effectiveness in service delivery) and growth of the economy (to support funding of public services).

**4** 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





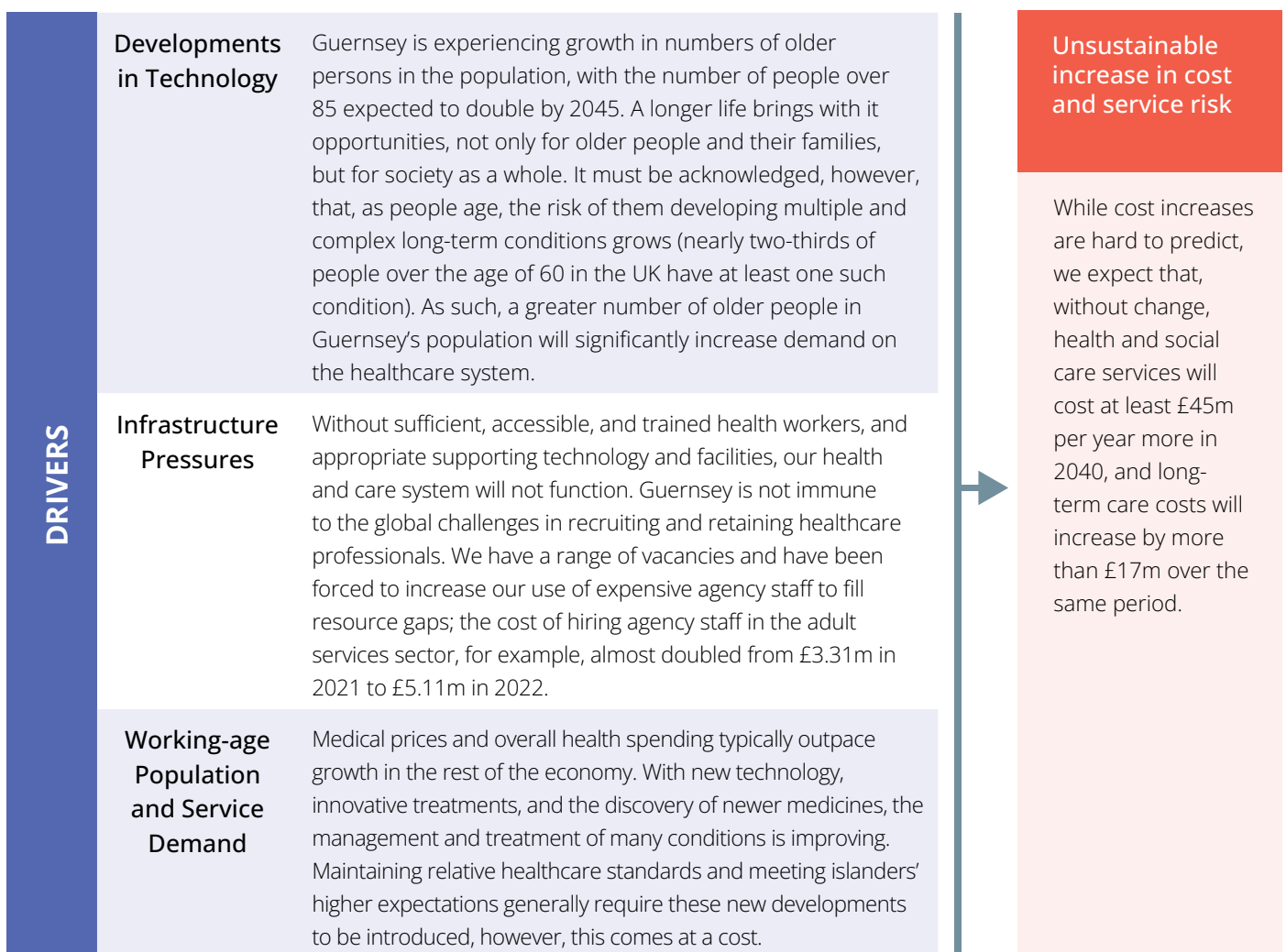
## STRATEGIC POLICY PROGRAMME SUSTAINABLE HEALTH AND CARE SERVICES

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

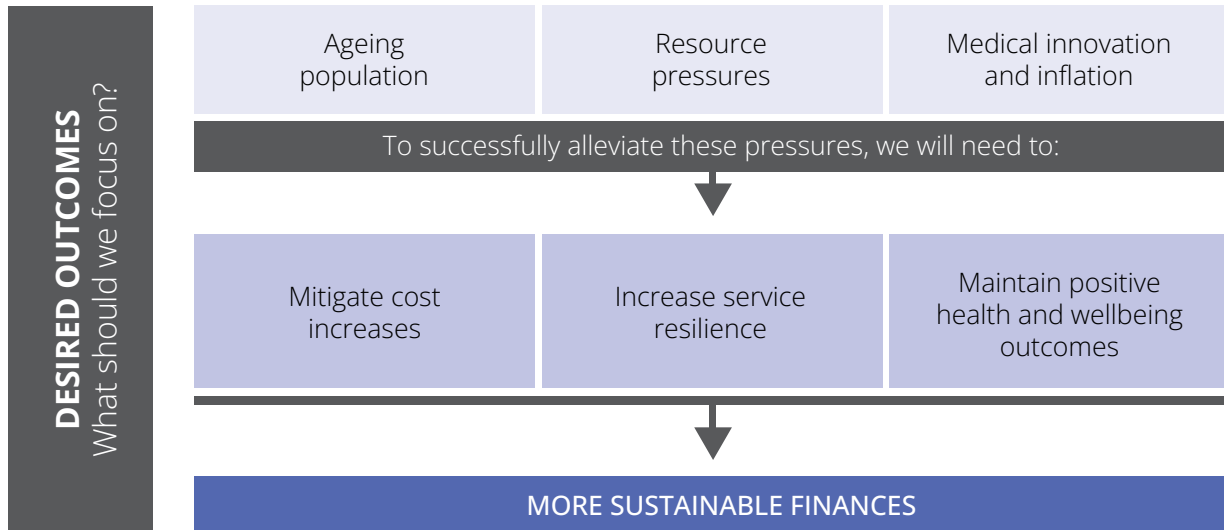
### THE PROBLEM

#### WHY DO WE NEED TO ACT?

Economic uncertainty, the ageing population, climate change, underinvestment 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.



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



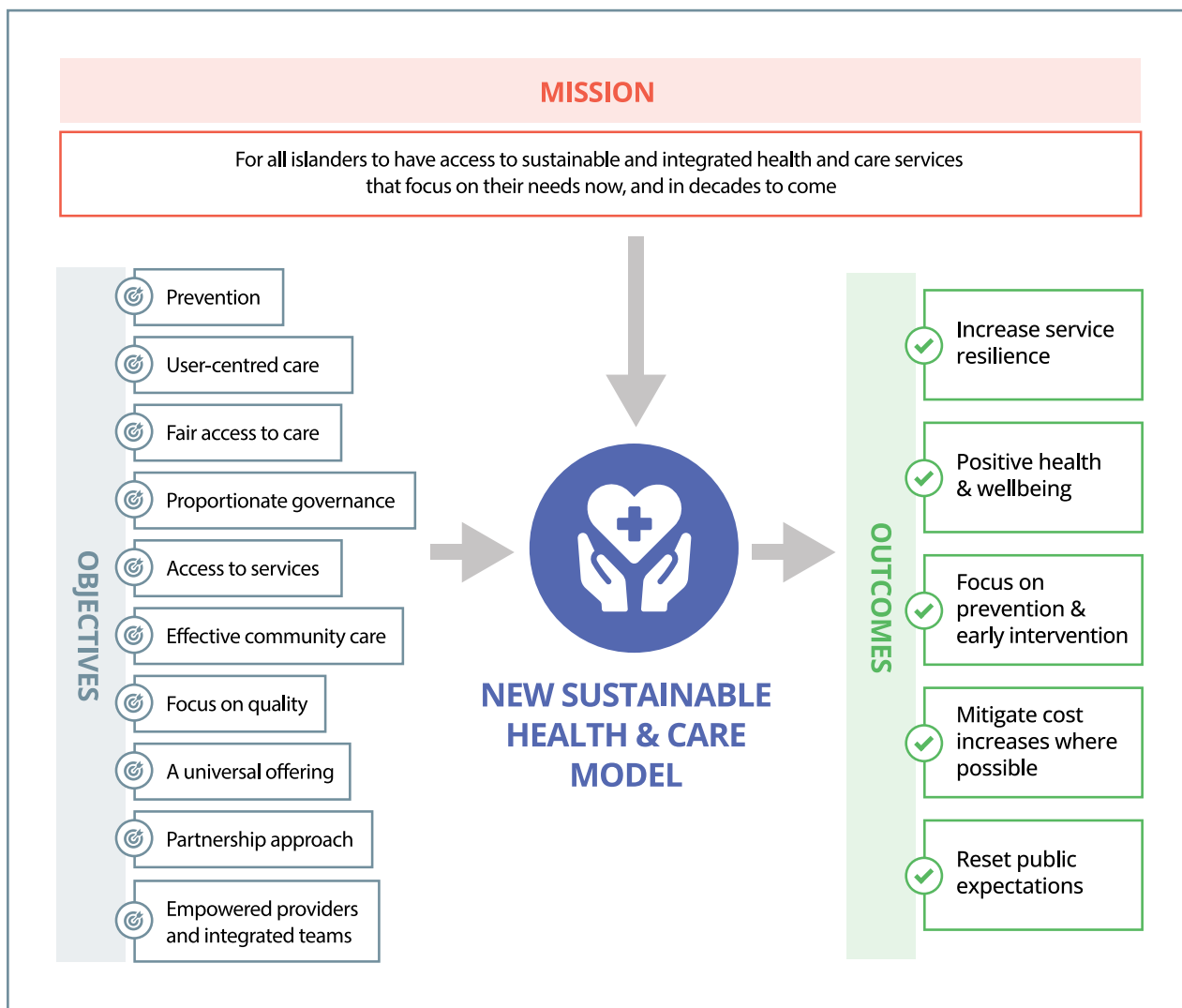
To increase the sustainability of health and care services, the Sustainable Health and Care Services portfolio will need to focus on achieving the following outcomes:

- 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.

# A NEW HEALTH AND CARE MODEL

To increase the sustainability of health and care services, a new model will need to consider the balance of on- and off-island provision, what should be commissioned from others and what provided directly, and what can be

achieved by utilising digital solutions. Its ten key aims have been established by the States in their Partnership of Purpose and will shape how we achieve the desired outcomes on the right of the diagram below.



# DELIVERY MODEL

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Several workstreams were identified for progress this term to change how we provide health and care services to mitigate costs, improve service resilience and enhance service quality. In response to operational challenges, alternative care pathways have been temporarily adopted to reduce waiting lists, most notably for cataract surgery. Not only has this helped ensure the best possible health outcomes for islanders, but it has also proved the advantages of working with a range of providers to meet islanders' health and care needs as effectively as possible which should be explored further next term.

## Future model of healthcare delivery

A key enabler for the new model is the need to push health and care activity 'upstream'. This allows islanders to access earlier, preventative care which reduces the chances of acute treatment being needed at a later date, leading to reduced costs and better health outcomes for all with economic benefits too. This has been recognised by the retention of the

development of a Children's and Family Hub in the Major Projects Portfolio as a delivery project. Plans are currently being developed for a Hub at the Raymond Falla House site in St Martin, which would bring together a number of common services in a single location. In addition to the direct benefits for the community of having these services working closely together, this would also release States-owned sites for other purposes or disposal.

## Future model of community care delivery

Community care is a term that encompasses many services, such as long-term care, extra-care, supporting living, adult disability, community support services etc.

This political term work has focused on long-term care. An update on the progress made in the community long-term care programme can be found in the [SLAWS Findings Report published alongside a summary on the progress of all States Resolutions in late 2024](#).

Further decisions on the future model

of community long-term care have been deferred until the next political term (commencing July 2025) which will include consideration of the basis of the access to the Long-term Care Insurance Scheme and whether this should change from a residency (as currently) to contributions based system.

However, the States have recently agreed proposals as short-term measures that change the eligibility criteria to access the Long-term Care Insurance Fund, the benefit rates and uprating policy, and introduced a user care cost contribution for those who can afford to pay. The objective was to stabilise and encourage investment by private care home providers to meet the forecast growth in demand which is already exceeding the number of available beds.

## Primary Care

The term ‘primary care’ refers to those health services which the public can access directly (i.e., without needing a referral). Whilst these services are often the first point of contact in a health journey, they also provide ongoing management for patients with chronic or long-term conditions. In Guernsey, primary care services are generally not controlled or funded by the States. GPs, opticians, dentists, and pharmacies are all private businesses, which charge for their services at the point of delivery. The Emergency Department, although provided by the States, also charges fees for its use.

Local demand for primary care provision is expected to increase as the population ages and as further initiatives emphasising prevention and early intervention are introduced. To help prepare for these challenges and help mitigate increasing costs in secondary care, the Committee for Health & Social Care highlighted the need to review the delivery and funding of primary care within the 2017 Partnership of Purpose Policy Letter. In practice, the planned review was then delayed by the emergence of the COVID-19 pandemic.

Further research into primary care services has taken place this term,



including a survey on primary care services by CareWatch. This research work incorporated consideration of the funding of primary care, the funding of aids and adaptations, the delivery model for primary care, and the basis of the relationship between the States and providers.

Particular consideration was given to the continued relevance of the Health Benefit Grant. The Health Benefit Grant is used to subsidise GP appointments by £12 and appointments with nurses or health care assistants by £6 (the Health Benefit Grant was extended to include healthcare assistants as part of this term's consideration of primary care). The Grant, however, is a universal benefit (i.e. it applies to all islanders who pay for these services and is not means-tested) and has not been adjusted for inflation for many years. Potentially greater value could be derived from the funding if it were reallocated. It was identified at the start of the term that removing the Grant would release approximately £2.5m of the £3.35m a year spent on the Grant. The full value would not be achieved as the funding available for reallocation would need to take into account the associated increase in Income Support, Family Allowance and commissioned service costs that would result from the Grant's removal.

The further considerations of change in primary care, however, has been limited by resource availability and the need to focus on other critical health workstreams. In the next term, the States will need to consider the primary care model alongside the articulation of the Universal Offer and the Fundamental Services Review to ensure that the needs of islanders continue to be met and opportunities for early intervention and prevention are maximised.

## **Progress integrated health and care service delivery in Alderney**

In early 2022, Alderney's sole GP practice announced its intention to close. Acknowledging its strategic necessity, it was agreed that the States of Guernsey and States of Alderney would jointly acquire the practice. This was designed to be part of a larger piece of work to support a more sustainable and resilient model of care for Alderney which could, in addition to addressing Alderney's immediate needs, serve as a blueprint for changes in Guernsey in the future.

As part of the wider governance, the Alderney Care Board (ACB) was formed as a new joint Guernsey and Alderney political forum to discuss health and care provision in Alderney. The ACB has met regularly this term and positive action has been taken

to stabilise the health and care system. This has included the extension of services through the primary care practice and the introduction of a professional ambulance service. Against this backdrop, the priority for the next term will be to consider wider developments which will best support the long-term sustainability and affordability of the health and care system and are responsive to the particular challenges of delivering care in Alderney.

These priorities include:

- Working with providers to understand how to enable and support their priorities regarding how services are coordinated to best meet the needs of Alderney residents and maximise limited resources. Work will take place with staff who have front-line experience of providing health and care in Alderney, while examining available data to help shape services accordingly.
- Ensuring sustainable and proportionate funding arrangements moving forward. There is a shared understanding between the islands that there is opportunity to evolve health and care provision, considering the most cost-effective way of delivery.
- Engaging with islanders and stakeholders.

## **Continue implementation of the Capacity Law**

Through the Committee for Health & Social Care, the States continue to progress the implementation of the Protective Authorisation Scheme, including consultation with care homes, training for capacity professionals, recruitment of a Capacity Lead, and the introduction of an adult advocacy service.

## **Articulate the Universal Offer**

There is a large range of health and care services that are available to islanders; some of these are free at the point of access, while others have a charge. An important piece of work that needs to be progressed is to look at the health and care offering as a whole and ascertain whether the services that are provided for free are the ones that should be, and equally whether other services should continue to be charged. This will need to consider the impact of these services, how many people access them, and how much it costs to provide them; all while trying to meet the model's outcomes. This work is fully aligned with the Fundamental Services Review recently agreed by the States, and activity will be appropriately sequenced to support the two mutually complementary workstreams.



## Funding options

The recent decisions made by the Assembly in relation to short-term measures for funding of long-term care will need to be implemented next term. Further work on the possible long-term funding mechanisms as they relate to the desired/updated delivery models should be explored next term alongside the designing of those models. The context for this work will be established by the wider Fundamental Services Review and the ongoing need to maintain sustainable public finances.

## Regulation and Service Quality

### Implement proportionate healthcare regulation – phase 1 community care

The objective of this legislation is to ensure that through proportionate regulation of health and care providers, all islanders would be supported in receiving treatment and care of the best quality that the Bailiwick can offer. The ultimate aim is for a regulatory approach which is appropriately light-touch and proportionate for the Bailiwick's scale, allowing the relevant standards to be met cost-effectively.

The "The Regulation of Care (Enabling Provisions) (Bailiwick of Guernsey) Law, 2024" was agreed by the States

in September 2024 – this enabling law provides the legislative framework for future Ordinances to be implemented on more specific areas of health and care.

### Implementation of Phase 1 Children Law review

The priority objectives of this review are to deliver a series of amendments to the Children (Guernsey and Alderney) Law, 2008, to:

- Reduce duplication and delay in achieving appropriate outcomes for vulnerable children and their families; and
- Address any unintended consequences in the drafting of the legislation.

In early 2020, proposals for amendments to the Children Law were developed and the views of key stakeholders sought. This work was informed by the findings of the independent report on delay and duplication in the systems and processes arising from the interpretation applied to the existing legislation. The review focused on changes to existing processes that will help to improve outcomes for children in the family care and justice system and considered broader aspects relating to governance.





This is a complex piece of work, requiring legislative changes, operational implementation across several service areas and effective change management. As a result, the workstreams have been split into phases. Phase 1 implementation has progressed and the 2022 agreed amendments to the Law are on track for consideration by the States before the end of this term. The full implementation of Phase 1 is expected to be complete in early 2026.

Work was also carried out to commission a review of the Legal Aid service to give due consideration to the systemic issues relating to the availability of Advocates and the use of alternative dispute resolution including mediation in the

family care and justice system. The review is now complete and consideration as to which recommendations to take forward will be progressed including any necessary resource requirements by the responsible Committee of the States.

### **Adoption Law drafting and enactment**

Work on drafting and enacting the Adoption Law, particularly relating to age of adopters and post-adoption support services, is progressing and nearing completion. It is envisaged that a supplementary policy letter will be required to seek States' approval on certain matters that were not fully addressed in the original policy letter.

# 2029 - 2025 NEXT STEPS

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Health and social care is a cross-government responsibility which the States have recognised previously by endorsing a holistic 'Health in All Policies' approach. A Sustainable Health and Social Care model will require not only a change in how care services are planned, delivered and accessed but the thinking and attitudes behind them in order that they are fundamentally altered and the systems surrounding them are transformed to meet needs more affordably.

We have a great advantage in our model is integrated, which is a real strength.

The shift to ensure it is a sustainable and affordable model of health and care requires close engagement with key stakeholders both inside and outside of government, and challenge and assurance by external experts.

A key message is that bold choices need to be made now to transform health and social care into a prevention-focused and accessible service for better health, social and wellbeing outcomes and as an economic enabler. Existing processes

focus more on the hospital rather than community services with under investment in prevention. This increases demand for more costly interventions at a much later stage and more health and care needs go unmet adding to waiting lists, which in turn leads to poorer health outcomes and increased demand for services.

Equally, there is a need to make changes to manage both the increasing complexity and the growing demand for all types of care so that the system remains able to deliver good care outcomes, that are affordable for the community. Inevitably this will require some form of a reset of the community's expectations.

To progress this work we must understand not only the costs of the delivery of a sustainable health and care model, but also where that funding is going to come from to avoid the Bailiwick becoming reliant on unplanned short-term interventions which do not provide value for money, have uncertain funding streams, and may not deliver the best outcomes for service users.

The States will have to progress this with a multi-term plan alongside their continued focus on concluding enabling major projects. These are the first phase of the electronic patient record project to move to a new platform as the legacy provider withdraws the current product, and the hospital modernisation phase 1 and 2A, supported by change to practice during implementation. Alongside, the States will have a significant programme of policy development and legislative changes to progress in the areas of capacity, children and family, and health and care regulation and all the supporting operational changes.

Next term will also see a renewed focus, supported by an increase in dedicated resourcing, to drive forward the larger, more transformative aspects within the portfolio on the new models for health and community care delivery and their funding. This will identify the priority areas for change that should unlock opportunities and best deliver the desired aims of the Partnership of Purpose, so providing the next and future States with a clear roadmap.





STRATEGIC PORTFOLIO

# **HOUSING, INFRASTRUCTURE AND THE ECONOMY**

Guernsey's successful MONEYVAL evaluation demonstrates the strength of our commitment to international cooperation and playing a positive role in countering international financial crime.

The update on Guernsey's credit rating published by Standard & Poor's maintains Guernsey's credit rating at A+ with a stable outlook. The credit rating highlights the continuing core stability of Guernsey's economy, citing the resilient performance of the Funds, Insurance and Fiduciary sectors.

The analysis of these two independent bodies demonstrates that Guernsey continues to operate at the highest standards, providing a secure base for the future of its economy.

The States of Guernsey's recent economic statistics support this picture of stability. The rates of RPI and RPIX published for December continued a steady reduction to more typical levels, and this downward trend is expected to continue throughout 2025.

Total employment in Guernsey continues to grow and unemployment rates are very low. Nominal growth in median earnings (published up to June 2024) remains strong but was still lagging behind inflation at that point. It is expected the gap between earnings growth and

inflation will reduce as inflation falls and that real median earnings growth may resume during 2025.

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

Independent commentary has recently come to form the same conclusion.

The States' Assembly has been slow to determine a sustainable set of policies that secures high enough levels of capital for the significant social, economic and environmental investments necessary to maintain islanders' wellbeing and the economy, which has been a lost opportunity this political term. Notwithstanding, the Economic Development Strategy has seen some direct investment this term in the priority areas set out in the Government Work Plan. However, the greatest urgency remains building new homes to address the supply and affordability of accommodation.



## Is Guernsey's economy growing overall?

GDP figures are published with a lag because of the time it takes to collect the necessary data, and Guernsey's GDP for 2024 will not be published until the autumn. GDP and GVA figures for 2023, which are available at gov.gg/gdp, showed significant growth in areas including funds, insurance, and accounting, which all grew between 12% and 25% in nominal terms in 2023.

Analysis suggests that overall, there is an underlying trend of real economic growth, albeit that growth is averaging only about 0.5% a year over the last 13 years.

## What is driving changes in GDP?

Change is almost entirely driven by shifts in gross operating surplus (broadly company profits). Output generated by employee compensation (mostly wages), mixed income (self-employed profits) and households (largely the imputed rent of owner occupiers) are all much more stable.

The overall reduction in GDP in 2023 in real terms is largely because 2022 and 2023 showed significant shifts in banking profits and rises in interest rates. A big increase in banking profits in 2022 was not repeated in 2023.

Importantly, while Guernsey's banking sector performance over this period may not have matched other jurisdictions, the output of Guernsey's banking sector in 2023 was still 33% larger in nominal terms than it was in 2021.



## STRATEGIC PORTFOLIO HOUSING, INFRASTRUCTURE AND THE ECONOMY

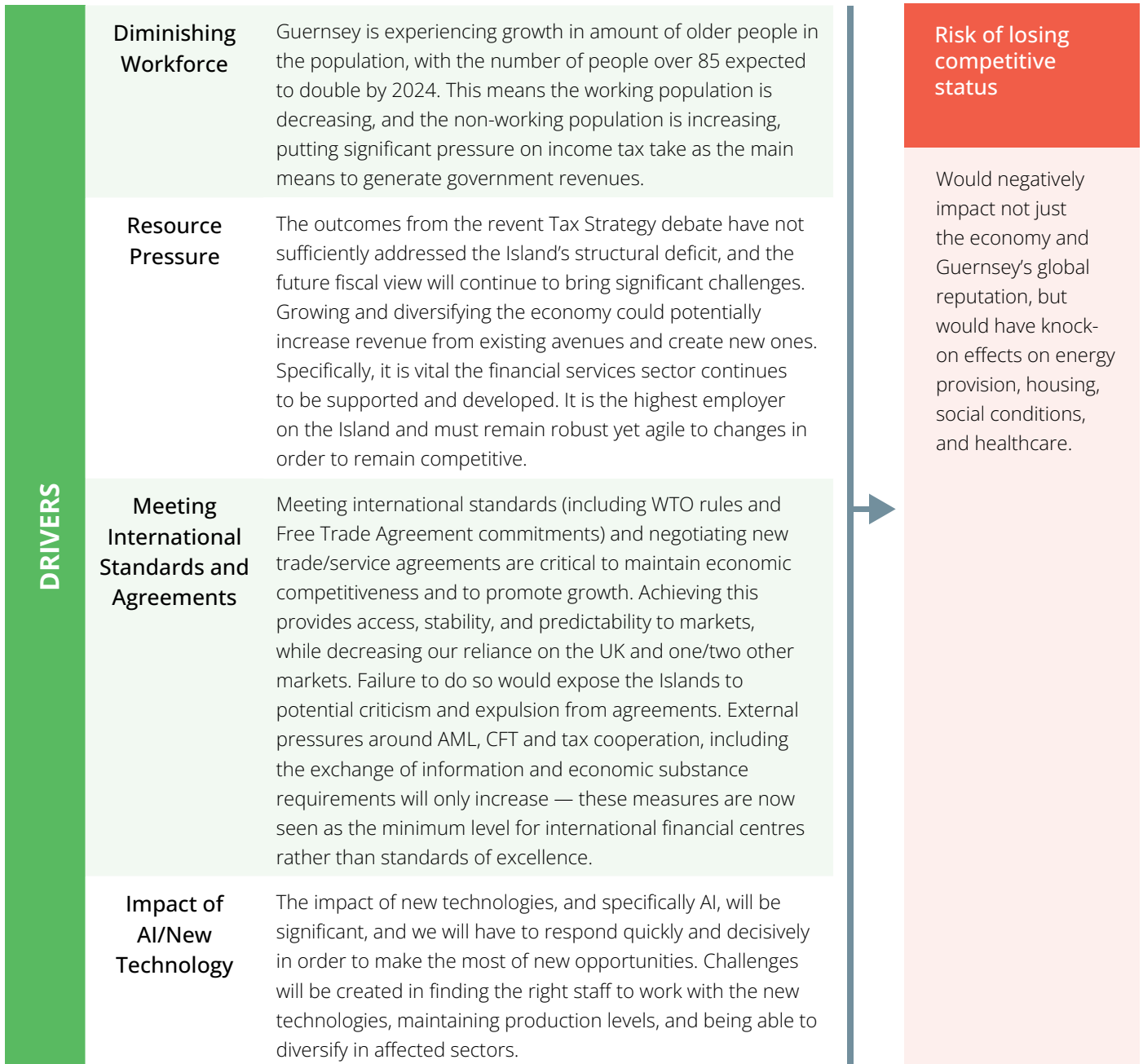
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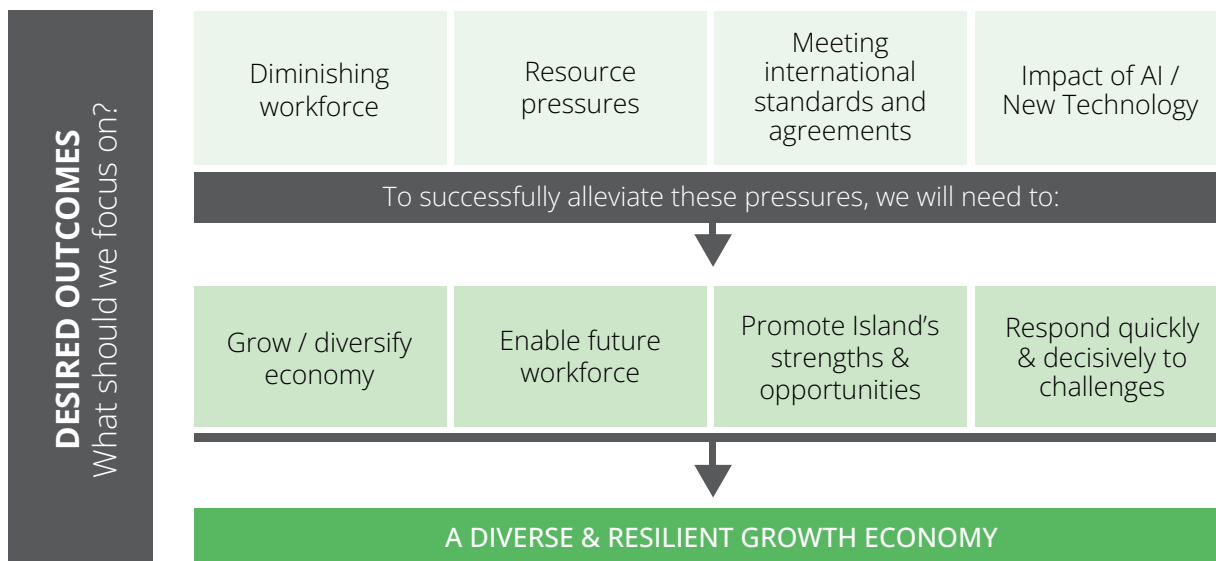


## THE PROBLEM

### 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.





To achieve a diverse and resilient growth economy, the Housing, Infrastructure and the Economy 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'.
- 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.

# HOUSING SUPPLY AND AFFORDABILITY THROUGH REGENERATION

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Each of the strategic portfolios is dependent on the basics for life – an affordable, safe home; security; and accessible and affordable services.

Affordable homes have been the top domestic priority for the States this term. Their Guernsey Housing Plan sets out a prioritised plan of action and the steps the States will take to tackle Guernsey's significant housing pressures. There is a myriad of activity required, all interrelated, with no single action alone likely to improve housing supply or its affordability. The first [annual update report on the Guernsey Housing Plan](#) was published on 21st August 2024.

The States have been working within their areas of influence to ease the market. The bigger impacts will take longest to mature and is summarised as follows:

- They made policy changes in 2024 to relax the perceived demands on developers to meet Affordable Housing targets in order to directly stimulate the private sector (Policy GP11 at zero until 2029 and now subject to full removal under the review of the Island Development Plan - IDP).
- The IDP is subject to a focused review for housing and employment land supply expected to come to the States in Q2 of 2026. It proposes some significant land re-allocations sought by the States and recommends revised Plan Amendments to recognise the emerging Strategic Delivery Framework for the Bridge Main Centre and Main Centre Outer Area in development this year.



- Land was purchased in the north of the Island. Seeking a change in its land allocation through the IDP review will facilitate the more cost-effective development of other States' land for light industry while providing more suitable housing land supply for the Guernsey Housing Association. This amplifies the regeneration proposals agreed by the States in December 2024 from the Guernsey Development Agency, which was established this term; and the Local Planning Brief recently considered at a Planning Inquiry and coming forward to the States before the end of this term.
- Flood protection for this low-lying land must be in place given the increased level of investment that will be attracted and in preparation for the changing climate; national infrastructure provision is primarily the role of government in our Island and an enabling flood defences project for The Bridge at St Sampson's is progressing. Work to engineer the more expansive defences for the east coast is in hand, for which the States have also agreed to bring forward initial funding for early stage exploratory work and planning. The result of this ongoing work will be a plan for multi-term investment in harbour and flood defence infrastructure.

This all demonstrates the strategic activity that islanders would expect from their government to bring forward new communities through both social schemes and private sector developments.

Influencing costs is challenging for government and work to date with developers and landowners has revealed that it is not planning fees and other charges that hamper construction. The cost of land, financing, labour and materials are significant. Here the States have limited tools but are acting where they can, as follows:

- The States have recently negotiated a new contract with a preferred ferry operator that has competitive freight prices and has services operating from the UK and France.

- Through the 2025 Budget, the States agreed to set up a temporary “construction village” as a rapid intervention to address the lack of capacity within the construction industry and the lack of accommodation to house construction workers. Its objective is to introduce more capacity to unlock significant and much needed development in Guernsey, in the long-term interest of islanders. The pods are intended to be portable as the pipeline of capital projects extends into the next ten years. It is anticipated that the cost of the construction units will be offset over their lifecycle from rental income generated, as well as from not needing to cover the cost of housing workers in traditional accommodation. The initial construction village is likely to serve the requirements of major States of Guernsey capital projects, thereby reducing costs for taxpayers, however the States will explore what additional demand there is from all areas of the industry.





# WORKING POPULATION

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## Education, skills and re-skilling

We must invest in ensuring islanders are well-equipped with the skills needed to thrive in the competitive global market and also meet the Island's service demands. Our curriculum must continue to emphasise critical thinking, innovation, resilience and problem-solving skills and we must place a strong emphasis on lifelong learning, and developing a robust system of skills training and re-skilling to ensure the workforce remains adaptable. We should leverage the infrastructure and health investments the Island will need to be making during the next decade to develop expertise that has value beyond our shores and diversifies our offering.

Activity has focused on designing a plan to upskill and re-skill islanders both for the new technologies and service demands within the community and to support their changes in work during their longer working lives. The States intend to establish a Skills Development Agency to ensure a long-term view is

focused on developing a skilled local workforce in line with the demands of a modern economy and economic opportunities.

A focus on education and skills, alongside building homes and communities, will offer more to keep islanders here, becoming central to Guernsey's future economic success.

## Participation in Work

In the course of the last year the States have been exploring the participation rates of islanders in work, seeking to understand where there may be barriers to working, or working more, in order to develop policies that maximise productivity and therefore States' revenues raised through taxation. It is important that the States understand the motivation and limitations of islanders in order to best manage population growth to meet service demands.

Research and surveys, including focus groups, formed phase 1 of this work, with further data becoming available on working hours through secondary





pension reporting for phase 2. The first 'Findings Report' has now been published here. In summary the largest cohort of non-employed people is those approaching state pension age who have the financial means to exit the workforce early, meaning they are unlikely to be incentivised to return to work. This was not unexpected and offers limited opportunities to change behaviours through the action of government.

The next phase may identify groups of islanders who could increase their working hours from their current levels. This will be reported, and proposals developed for the States to consider as soon as possible in the new term. Research, led by the Committee *for* Economic Development, will equally be available by the end of this term on the sustainability of the early childhood education and care sector. It may be that helpful measures in supporting families and reducing the financial difficulties faced by some households with children

are determined as the preferred policy approach as Guernsey continues to enjoy low unemployment. Unlocking islanders' opportunities and increasing participation could grow our economy and improve States revenues from taxation, so remains an important area of work led and coordinated by the Policy & Resources Committee. However, it will be important that the successor States carefully consider unintended impacts.

What has been identified through the work so far is the positive impact of the Committee *for* Employment & Social Security's work through its Supporting Occupational Health and Wellbeing (SOHWELL) programme, which was prioritised by the Assembly in the Government Work Plan. Since SOHWELL started, new long-term incapacity benefit claims have shown a downward trend and more people have accessed work rehabilitation initiatives.

# DIRECT STATES' ACTION TO SUPPORT THE ECONOMY

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## Free Trade Agreements & Related International Obligations

The States are working with the UK's Department for Business and Trade so that the Bailiwick remains well-positioned globally and can be included in the UK's Free Trade Agreements. To date, the Bailiwick has secured baseline participation in all of the UK's post-Brexit Free Trade Agreements and has agreement to take part in Digital Economic Agreements with Ukraine and Singapore. For trade across the Atlantic, the Bailiwick is to be included in the UK's trade Memoranda of Understanding with eight US states.

Ambitious work towards Guernsey's full participation in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership continues, whilst the primary focus for Guernsey's government is inclusion in the UK-Gulf Cooperation Council agreement, which is currently under negotiation.

## Finance Sector Investment

The States agreed to an additional £1 million per annum of funding for Guernsey Finance to promote the Island's international finance sector from 2024 to 2027. From a business development perspective, that additional investment continues to represent value for money with Guernsey Finance currently facilitating the introduction of four new life insurance branches on the Island and a new fiduciary licence. These have been the catalyst for numerous new trust, company and fund structures being moved to, or formed, on the Island.

Guernsey Finance is also working on over 40 significant pieces of new business for Guernsey including, notably, a trust company licence, two investment managers, a custody platform, two major fund structures and a further two new banking licences. This reflects a strong pipeline of new business across key strategic markets.

## Accelerate the Digital Economy

The Digital Framework outlines the strategic direction and coordination for the Bailiwick's digital policy for this political term across government, industry, and the community. It provides a holistic view of all States-wide initiatives that aim to develop digital capability. Action has been taken in each of the three pillars.

The two stand-out policy interventions to develop a world-class telecoms infrastructure achieved this term are

- Island-wide fibre rollout
- enabling the deployment of next generation mobile technology (5G and beyond).

Sure's rollout of fibre infrastructure is progressing well, accelerated by the £12.5m capped 'Digital Accelerator Investment' granted from the States in 2021 to deliver universal and equitable access to fibre. Replacing the legacy copper-based telecoms networks with fibre cables is critical to ensure islanders and businesses can make optimum use of digital technology for family life and for business growth and development. As of November 2024, 76% of premises have

been connected to fibre. The fibre roll-out project is ahead of schedule, with a target completion of the end of 2026.

In February 2025, the States endorsed a policy on 'Spectrum Licensing Framework to Deploy 5G and Successive Technologies'. The benefits offered by 5G and successive technologies will enable the deployment of new applications and use cases to drive economic and social value, and help Guernsey maintain its competitive edge from a digital perspective. One of the policy objectives is to adopt a technology neutral approach to spectrum licensing. This will help enable local telecoms operators to deploy 5G and successive technologies in line with market demand and keep pace with emerging technologies. This progressive approach offers a significant opportunity to the Bailiwick as an innovative, flexible and forward-looking way to manage spectrum.

The States have now commenced recruitment for the Innovate Guernsey Board, with the aim to foster digital innovation and continue to accelerate the growth of Guernsey's digital economy.

## Foster Enterprise

Guernsey's start-ups play an integral role in the Island's economic development. Fundraising is a challenging but essential process, and we want local businesses to have more of a level-playing field with other jurisdictions such as the UK, where tax incentives for investors are well established. Launched in October 2024, the Guernsey Enterprise Investment Scheme (GEIS) seeks to facilitate and encourage more private capital funding into innovative, high growth, early-stage businesses in Guernsey.

The first round of applications should enable more than £1million of local investment for innovative Guernsey businesses. The Scheme aims to provide an investment-linked repayment to investors into eligible start-ups and developing businesses. It will initially operate as a limited trial with the aim of a wider deployment if successful.

There has been a positive uptake and feedback about the scheme from local businesses. The initial application round attracted six applications, with five companies subsequently qualifying for the scheme. This will enable a potential GEIS-qualifying total investment of £1.24m for the five businesses.



Successful applicants are issued with a Certificate of Advance Assurance. Valid for one year, the certificate demonstrates to potential investors that the start-up is eligible for the GEIS investor incentive. This enables them to apply for a repayment of up to 30% of their investment value, which is funded via the Government Work Plan.

A second application round for Guernsey companies opened on 5th February 2025 and will close on 19th March 2025.



# RESILIENCE

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## Secure Transport Connectivity & Infrastructure

The States have supported a new air route to Paris for three years which has performed better than anticipated with 7,000 passengers using the route and average load factors of 67% from March to November 2024. Further new links to Edinburgh and Newcastle have also been established for the 2025 season.

Progress has also been made to secure the Island's sea connectivity with the introduction of the Ro-Ro Sealinks legislation and the signing of a new 15-year contract for Brittany Ferries to deliver Guernsey's ferry services. This is the first time that Guernsey has had a binding contract for the provision of sea links and provides security and continuity for lifeline ferry services. Funding has also been made available for a passenger only operator for the summer inter-island services to be offered by Islands Unlimited.

The Brittany ferries contract offers increased opportunity to develop links with France, both in terms of tourism and trade, building on the strong relationships already fostered through fishing and the Island's French heritage. Bookings for passengers from St Malo in the summer period are already showing very positive increases on 2024 figures. This will be bolstered by funding support for the summer services by the passenger only operator Manche Iles Express.

## Energy

The States have been exploring the viability and opportunity for raising revenue from the seabed through the development of offshore wind in Guernsey's territorial seas. It has been agreed to publish the current calculation of net present value<sup>5</sup> and the underlying assumptions which might impact on it in the future, to ensure the States are appropriately informed as they are asked to endorse next steps before the end of this term.

<sup>5</sup> Net present value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. NPV is used in capital budgeting and investment planning to analyse a project's projected profitability.



The current preferred baseline option of export to the UK contributes directly to the policy objective of maximising direct revenue from the seabed/project over the full lease term. As a very rough indicator subject to significant assumptions, this model could lead to an increase in annual revenue with commissioning in 2036 as a base assumption. There is nevertheless a significant range for the potential project value and revenues, due to the sensitivity of the assumptions, particularly price and investor expectations.

The Island's fiscal challenges remain significant, and the generation of revenue is critical to enable the funding of public services as well as investment in infrastructure, including energy infrastructure. Given that the States have also agreed a long-term [energy policy](#) in 2020 and an electricity strategy in 2023, some of the revenue generated from offshore wind should also be

used to support the objectives in the energy policy and the [electricity strategy](#). Reducing emissions, stabilising pricing and critically to ensure energy resilience with investment in the domestic grid will be the best way to ensure that the community and the economy benefit directly from the future development of offshore wind in Guernsey's waters.

The next steps will see States decisions by December 2026 on any commercial leasing agreement, terms relating to that agreement and the preferred bidder. Meanwhile, it is intended that an arm's length entity will be established to take forward the work of the offshore wind project from the beginning of the new States' term.





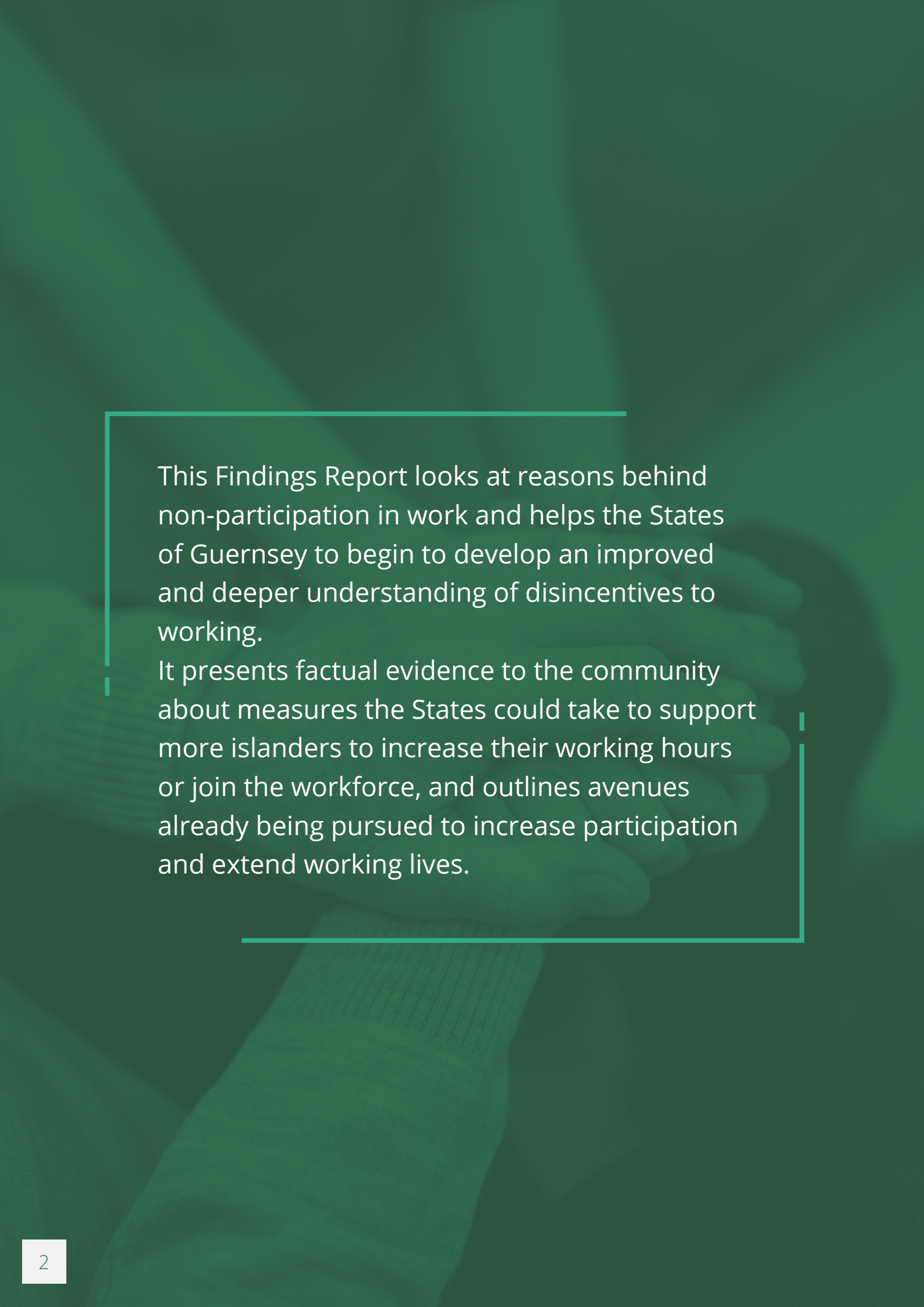
Read more at [gov.gg/GWP](https://gov.gg/GWP)

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# Participation in Work

February 2025





This Findings Report looks at reasons behind non-participation in work and helps the States of Guernsey to begin to develop an improved and deeper understanding of disincentives to working.

It presents factual evidence to the community about measures the States could take to support more islanders to increase their working hours or join the workforce, and outlines avenues already being pursued to increase participation and extend working lives.

# Executive Summary

This is a Findings Report providing the output from early stages of work directed by the States to explore whether there are proportionate and effective measures the States could take to support more islanders to increase their working hours, to join the workforce where they are not currently working, or to extend their working lives.

A formal structure was put in place to progress this as a cohesive workstream with effect from 30th January 2024 to:

- i** build on the existing data;
- ii** incorporate input from several areas across the States of Guernsey; and
- iii** gather additional evidence from a survey and focus groups.

## The objectives are:



Understanding non-participation in the workforce and the reasons behind it; and



Reviewing disincentives to working and removing barriers for those who would like to work or to work more.

Separately, also in hand are:

- 1** Developing training opportunities for those who would like to change career or advance to maximise their potential in the workforce through the Human Capital Development Plan and Skills Strategy; and
- 2** Obtaining deeper understanding of the childcare and early years provision as an enabler for the local economy.

In producing this stage 1 report, available data has been examined and a complementary survey run by the States to better understand the non-working population and any shared barriers to working. The report provides an initial consideration of a range of policy options and initiatives to encourage participation in work and their potential effects.

It should be noted that key data on working hours, which is now being collected through quarterly Employee's Tax Instalment (ETI) returns, will not be available until 2026 (once a full year of data has been compiled and checked). This means that while this report analyses whether people are in work or not, it is not currently possible to analyse the patterns of full and part-time working in a comparable level of detail. It is currently intended to include this new data and analysis in a second stage of data-gathering.

This report is not a decision document that presents final recommendations but instead this report provides a summary of the work and findings so far and identifies potential areas for

deeper investigation whilst this additional data is awaited.

It is notable that the States are already progressing supportive change through policy development work prioritised this term in the Government Work Plan in a number of key areas:

- 1** Social Security contributions restructure as part of the taxation review;
- 2** Lowering the Income Tax rate for income below £30,000 that would make part-time work more attractive;
- 3** Introduction of anti-age discrimination legislation; and
- 4** Development and implementation of an Occupational Health Strategy.

There are other existing States resolutions (not currently prioritised) and promotion of existing initiatives that could also assist some islanders, as follows:

- 1** Encouraging employers to improve policies and advertise access to flexible working in their recruitment;
- 2** Improving promotion that income support can already assist with childcare expenses (as childcare expenses are deductible from income in the financial assessment); and
- 3** Improving promotion of the recruitment grant; to be followed later by
- 4** Developing and enacting 'right to request flexible working' legislation.

And there are a number workstreams identified where a further impact assessment and cost benefit analysis should be carried out including:

- 1** Consideration of providing targeted childcare outside of school hours for children with additional needs or childcare as a non-taxable benefit in kind;
- 2** Assistance with transport to work for people who struggle to walk, drive, cycle or access public transport unassisted, e.g. through the Access to Work Scheme;
- 3** Reviewing employer social insurance contributions for those over pension age;
- 4** Considering any further reduction in the age at which there is a work requirement under income support or the age of children for which a contribution credit may be awarded;
- 5** Reviewing the transfer of tax allowances between couples of working age;
- 6** Reviewing the age at which people can access tax free lump sums from their pension and the financial limits placed on withdrawal amounts for any new agreements.



# 1 Introduction

This report sets out the findings of research into participation in work co-ordinated by the Policy & Resources Committee, with support from the Committee *for* Employment & Social Security, the Committee *for* Education, Sport & Culture and the Committee *for* Economic Development.

The work originated from two States' Resolutions (section 2). Available and new data has been examined to understand the attitude and activity of the non-working population and any barriers to working (sections 3, 4). Existing work-streams are summarised, and additional policy options are explored in light of the data (sections 5).

This report does not yet make significant recommendations as further data to better understand the whole non-working and part-time working population is required in order to determine the more effective changes that the States could make to support greater participation in work. It does however draw attention to some simple promotional steps and changes to employment and recruitment practice that may improve access to work for some.





## 2 States' Resolutions

In the Tax Review: Phase 2 ([2023, Billet III](#)) the States resolved:

- “To direct the Policy & Resources Committee jointly with the Committee *for* Employment & Social Security, in consultation with the Principal Committees and relevant stakeholders:
  - To examine current unemployment and non-employment levels in Guernsey and Alderney and compile a report which shall include proposals designed to help, and provide opportunities for, all who could be economically active to enter into, or back into, employment, including proposals intended to remove obstacles that restrict those who wish to work on a full-time basis from so participating in the workplace; and
  - To report back to the States, by no later than the end of January 2024, with their conclusions and proposals and with suitable recommendations for the States to consider.”
- Possible measures to encourage older islanders to continue to be economically active, or to increase the level of their economic activity, such measures to include, but not be limited to, fiscal/financial incentives.
- Creating a work stream [sic] in the next iteration of the Government Work Plan aimed at increasing access to affordable childcare in order to promote greater economic participation by parents.
- Consideration of what, if anything, the States could do to encourage the use of mechanisation, robotics, automation and artificial intelligence in order to improve the island's economic output as a factor of the size of its workforce.
- Consideration of what, if any, changes to the education [including adult education] and training provided in Guernsey might be desirable to achieve the outcomes referred to in this proposition.

This has significant overlap with the Resolution of the Population and Immigration Policy Review ([2022, Billet XVIII](#)):

- “That the Policy & Resources Committee shall coordinate an investigation into measures to optimise the economic participation of Guernsey's resident population and to increase, wherever possible, the productivity of the island's workforce. Such an investigation to involve other relevant committees and to include:

Such an investigation to take fully into account, and dovetail with, the ongoing work being done by the Committees *for* Economic Development and Education, Sport & Culture on developing Guernsey's Human Capital.”

The purposes of this Stage 1 Findings Report are:

- Establishing what the profile of non-employed individuals looks like (Section 3);
- Identifying key patterns among the non-employed to assist in targeting measures to improve participation (Section 4);
- Identifying trends or patterns in those individuals who are looking to work more (Section 5);
- Establishing the most favourable policy avenues for increasing, and not decreasing, participation (Section 6); and
- Providing broad estimates of the impact this might have on the tax base, where possible at a high level (throughout the report).



## 3

# Review of Rolling Electronic Census Data

## What is the Rolling Electronic Census?

Guernsey moved to a Rolling Electronic Census (REC) in 2014. The system replaces a traditional census and uses government administrative data to compile data about the population. This is combined with data on the housing stock to enable the construction of a detailed anonymised data set covering all individuals and households in Guernsey. REC is the source of all population, employment, earnings and income data and is also used for detailed social and economic policy analysis.

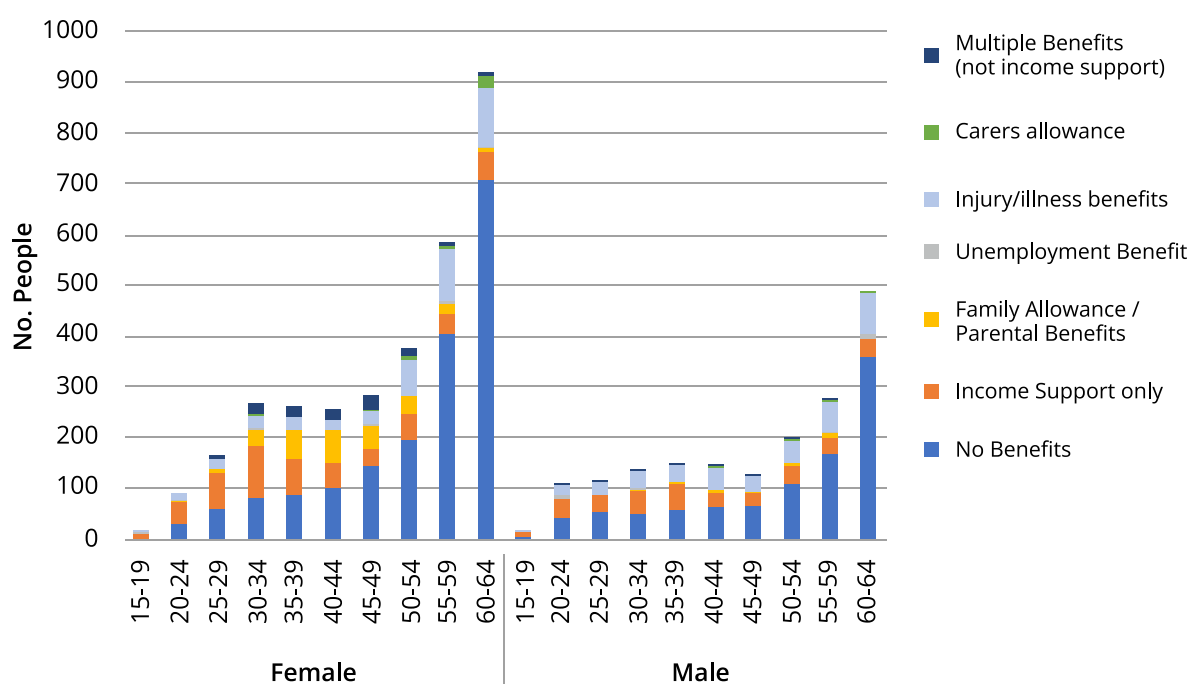
While REC does not include all the information you might expect from a traditional census, it provides data on an annual and quarterly basis allowing cross-sectional and time-series analysis at more frequent intervals than a traditional census. Overall, it offers a broader and more comprehensive data set, which covers the entirety of the population, than is achievable via a traditional census.



## How many non-employed and unemployed people are there and who are they?

There were approximately 5,000 people aged 16-64 not active in the workforce in June 2024. The age and gender profile of these individuals is displayed in Figure 1, together with some relevant information about their personal circumstances.

Figure 1: Non-employed, unemployed, and incapacitated individuals aged 15 to 65, by age, gender and circumstances (June 2024)



Of these people:

- An estimated 787 are in receipt of a benefit which suggests that they suffer with an illness, disability or bereavement. A further 51 are in receipt of carer's allowance suggesting that they are full-time carers for someone with an illness or disability.
- An estimated 42 are in receipt of unemployment benefit, which requires them to demonstrate they are actively seeking work.
- An estimated 303 are in receipt of family allowance or some form of parental benefit suggesting that they may be caring for children.
- Of the above, around 146 meet more than one of these criteria.
- Around 3,600 meet none of these criteria. Of these, 855 live in a household which receives income support, and 2,773 receive no benefit from the States.

- Non-participation is more common among women than men, particularly where they are in receipt of carer's allowance, some form of parental benefit, or no benefits at all.
- Non-participation increases significantly with age, particularly beyond the age of 50 and this increase is more pronounced among women than men.
- By far the largest cohort of people not participating in the workforce is women aged 60 to 64 who neither claim income support nor have any benefit claims that might indicate a medical reason for their non-participation.

Considered by housing tenure (Figure 2 below), the largest group of non-employed individuals live in owner-occupied accommodation without a mortgage<sup>1</sup>. 44% of people aged 16-65 who are not working live in owner-occupied accommodation without a mortgage. This

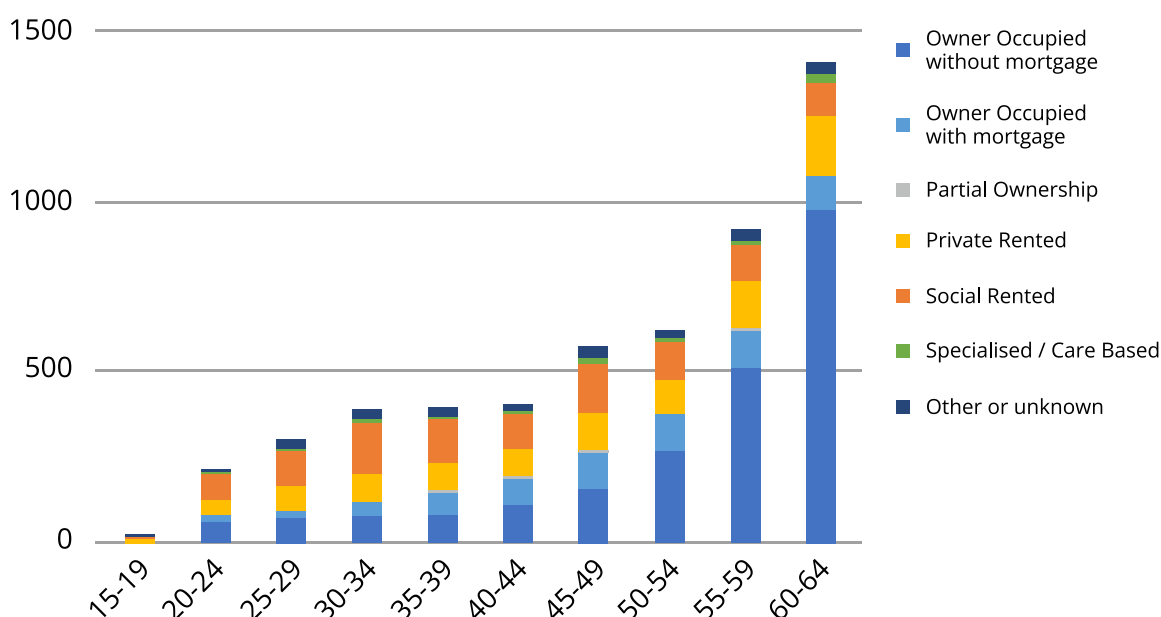
risks to 47% if those listed as incapacitated or unemployed are excluded and to 59% for over 50s. This compares to 37% of the total population aged 16-65.

In combination this suggests non-employment increases as people reach an age at which their mortgage is paid. The implication is that housing costs (or the release from a major element of those costs) play a role in decisions to exit the workforce.

Considered over time, around 54% of people known to be non-employed, unemployed or incapacitated in 2024 were not employed or in full time education five years earlier, and 36% were not employed or in full-time education ten years earlier.

<sup>1</sup> In this context the assumption of a mortgage applied to an owner occupier property if a minimum level of mortgage interest relief is claimed among all occupants of that property. An individual can be living in a property that is owner occupied, but not be the owner of that property.

Figure 2: Non-employed, unemployed, and incapacitated individuals aged 15 to 65, by age and housing tenure



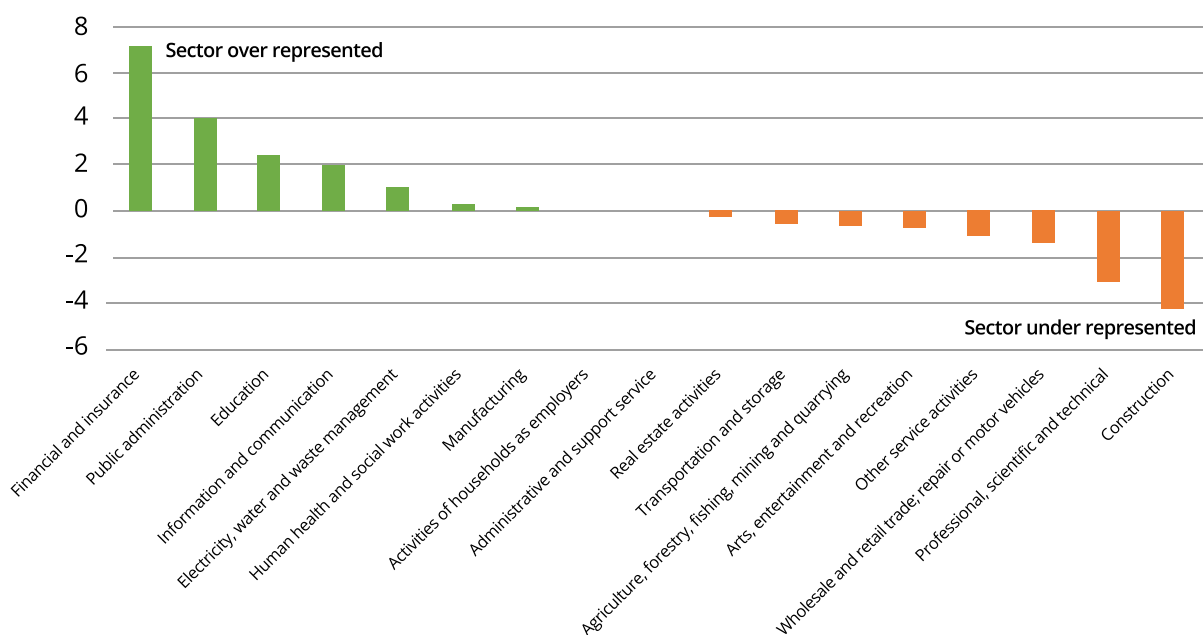


## Employment status of people currently non-employed, unemployed or incapacitated five and ten years previously

Of those who would appear to have exited the workforce within the last ten years and are of an age where they might be considered to have retired early, the largest number were employed in Financial Services or Public Administration (the largest employing sectors).

Considered against the profile of employment (Figure 3), people who were employed in either Finance or Public Administration are overrepresented. These sectors are known to be the widest providers of workplace pensions and many of these are structured so that they can be withdrawn before the official State pension age.

Figure 3: Over and under represented sectors among people who have exited the workforce in the last ten years (over 50s only)



The small number of people who exit the workforce and become non-employed at younger ages tend to have been earning less than average for their age and gender cohort.

This trend does not persist among older age groups and for those exiting the workforce in their 40s, 50s and early 60s, and the pattern is different for men and women. Men who had exited the workforce between 2014 and 2024 and after the age of 40 were earning an average of 40% more than typical for their age group.

For women the trend looks different, with those who had exited the workforce between 2014 and 2024 and after the age of 40 earning about 10% less than average for their age cohort. However, while the data suggests that women who exit the workforce early may not themselves have an income higher than average, the data indicated that they are likely to live in households with a much higher than average income. The implication is that there is an income bias in early retirement and that those who earn more than average or live in higher income households are more likely to retire early.

The number of people unemployed (which implies that they are actively seeking work) is very small. As at June 2024, there were 204 people unemployed, with a further 90 people registered as unemployed but who participate in some level of part-time or casual work. This represents less than 2% of the workforce. Historically about half of these claims are relatively short term (<3 months in duration). These could generally be described as frictional unemployment – the general turnover of people who are “between

jobs” and who are re-employed relatively quickly. Typically, less than a third of claims persist longer than six months. It is understood that many of these have underlying physical, social or mental health problems which mean that finding or holding permanent employment is challenging.

The profile of non-employed may not align with assumptions as it is dominated by people approaching pension age who have exited the workforce early but without a clearly defined medical reason. Early exit is particularly common for women. There may be any number of reasons why people choose to do this but, given the predominance of owner occupiers in this group, it is likely that most have paid off their mortgage and have the financial means to choose not to work. The 2017 consultation into Longer Working Lives presented the following findings<sup>2</sup>.

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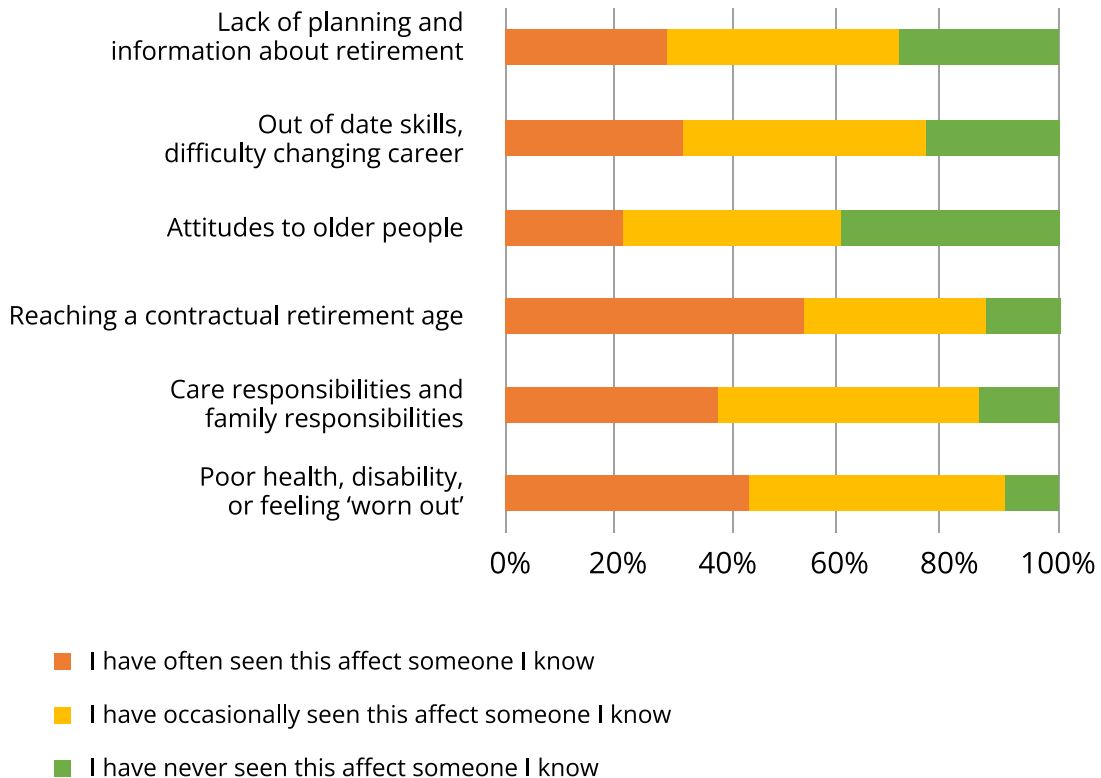
<sup>2</sup> An online survey which received 248 responses



Figure 4: Responses to a question in the Longer Working Lives consultation about issues affecting someone's decision to work.

### Have you seen any of these affect someone's decision to work or not?

(246 responses)



It is believed that some of this group (people who have retired early) are taking on informal/unpaid care responsibilities but do so below the level at which they would qualify for carer's allowance. This will include providing care for young grandchildren which enables the parents to return to work and providing care and support for older relatives. This group may also be active in the volunteer sector

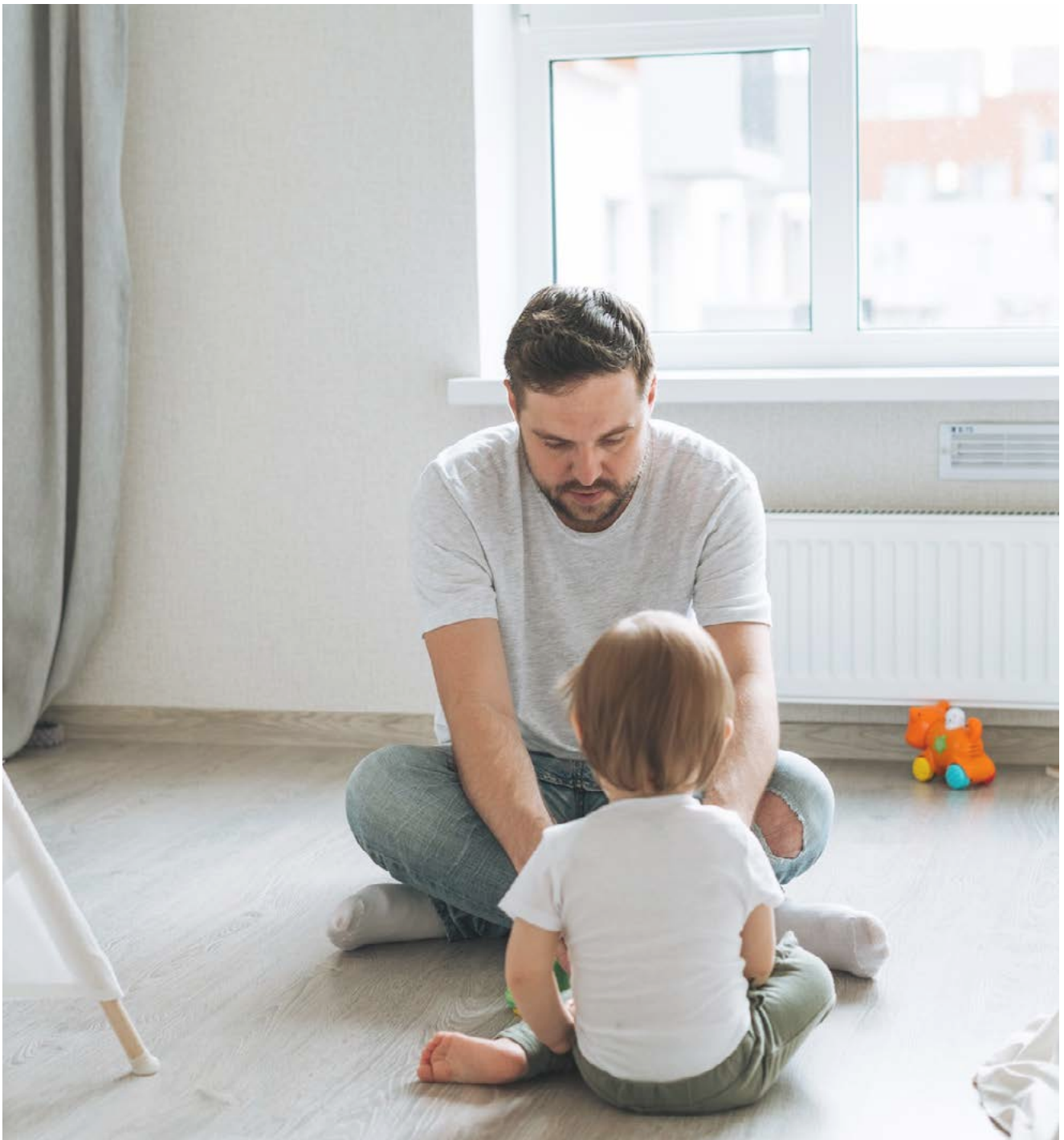
Non-employment among younger age groups is significantly less common although again it is more common among women than men.

Of the 1,300 non-employed people under 45, around 740 are resident in a household with at least one child under 16 and around 410 are resident in a household with at least one child under five. Around 30 of these individuals are also in receipt of carer's allowance (suggesting a family member may have significant additional needs) or in receipt of benefits (suggesting there may be other reasons they are not working).

Non-employment for apparent child-care reasons appears more common among households in receipt of income support or in social housing than in other households. This is likely because Income Support Rules do not require claimants to meet a work requirement until the youngest child reaches the age of three (age five prior to September 2024). While many do choose to work (about half of single parent claims with children under five in the June 2024 data have some earned income) and childcare costs related to work may be reclaimed through

Income Support, the earning capacity of individuals in these circumstances may be limited. Such earnings are deducted from their Income Support claim at a rate of £1 for £1 beyond a notional disregard<sup>3</sup>. This means the marginal financial gain for the household from participating in the workforce is limited beyond the first £40 per week.

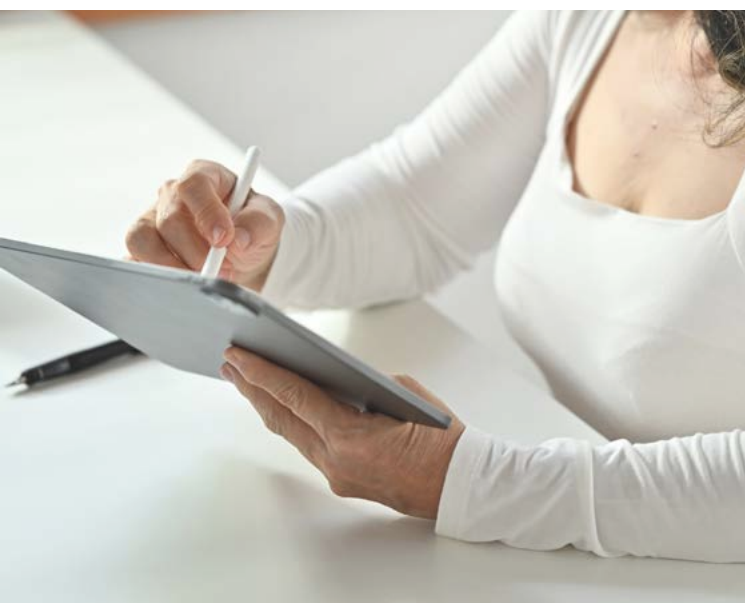
.....  
**3** The first £40 of weekly income is disregarded from a claimant's financial assessment.



## 4 Survey

Existing data gives an indication of who was in work and who was out of work (unemployed or non-employed) or in receipt of benefits. The most recent 2024 data gives very little indication of the number of hours worked or an individual's attitude with respect to their working hours or future working hours. The collection of additional data on working hours from the phased roll out of secondary pensions should provide better data to differentiate between full-time and part-time working. It will be available in 2026.

In lieu of this data, an online survey investigated whether individuals were working or not working; whether they wished to work more or less or were happy with their working hours (work life balance); and how they currently spent their time with respect to work, caring/family and voluntary responsibilities. The survey also explored motivations for any desired changes to working hours and what limited people from working more, if they wished to do so.



The survey ran between July and September 2024 and achieved 664 responses. It was open to anyone aged 16 or over in Guernsey, Herm and Jethou, whether or not they were working.

The results of the survey (**Appendix 1**) suggest that the number of people wanting to work fewer hours greatly exceeds the number wanting to work more. As expected, this varied across age group bands, with younger respondents being more likely to want to earn more money and older respondents being more likely to be able to afford to work fewer hours if they wished to do so.

Those wishing to work less often had both the highest number of working hours and out of work caring commitments. Those content with their working hours, or wanting to work more, had fewer existing time commitments.

Identified barriers to working included: lack of flexible working opportunities, difficulty with travel or transport to work, access to healthcare/waiting lists, back-to-work training and confidence building, childcare and support for carers (especially in school holidays and for children with additional needs), and age discrimination.

A total of 85 survey respondents provided contact details and said they would like to be part of a focus group to discuss the issues more deeply. However, when invited, the level of response was very poor. The outputs from the focus groups are summarised at **Appendix 2**.



## 5 What does the data indicate?

### Reducing unemployment through return to work schemes

Short-term frictional unemployment is of limited relevance in this situation – there will always be some people “between jobs” at any given time, generally requiring minimal intervention.

Long-term unemployment would be a more significant issue. Because demand for labour is so high in Guernsey, long-term unemployment predominantly occurs where the existing return to work schemes to support an individual into permanent employment have failed.

Further supporting people to find and remain in employment is likely to be cost intensive, particularly relative to the small number concerned. It is not uncommon that they find work but are unable to hold employment for any length of time. This means that to be effective, support needs to be more sustained and continuous than otherwise might be anticipated.

In the most complex cases, achieving sustained employment could require intensive interventions to address long standing issues such as poor mental health and addiction. This support may be of significant benefit to the individual – both the unemployment itself and the common causes of long-term unemployment are associated with poor physical and mental health. However, given that they are likely to be placed in low-paying jobs, the direct economic and financial benefit in terms of tax revenue is likely to be small. There may be social policy incentives to pursue such schemes since improving the circumstances of these

individuals could reduce service use elsewhere in the longer term and potentially improve family dynamics. This has the potential to reduce public service costs elsewhere, but it is difficult to quantify. Following a States resolution, the Social Insurance (Guernsey) Law, 1978 was amended by Ordinance to give the Committee for Employment & Social Security a power, by Regulations, to adjust the aggregate period for which unemployment benefit is payable, from time to time, subject to a minimum aggregate period of 10 weeks and a maximum aggregate period of 30 weeks, although these regulations have not yet been made.

Reducing long term unemployment by returning people to work could make a marginal increase in participation. Assuming 20% of the c170 of those unemployed for more than six months could be returned to the workforce productively and retained in employment at an average salary of £20,000 a year, the net return to the exchequer in tax and contributions would total less than £80,000.

Any States scheme requiring more than one full-time employee as a support worker (FTE) is therefore likely to be loss making taking full employment costs into account (at least on a direct cost v tax revenue basis).

**Given the specific intention of both Resolutions is to pursue increased participation in work for financial and economic reasons, diverting more resources to reduce levels of unemployment which are already exceptionally low is unlikely to be the most cost-effective approach to tackling the objectives.**

## Incentivising those voluntarily non-employed back to work

Within this there are two distinct groups:

- Individuals (typically women) with parental or other care responsibilities;
- Older workers who exit the workforce before State Pension Age.

Of the two, the data suggests that in Guernsey complete non-employment is by far more common in the latter group than the former. More than 57% of non-employed people aged 16 to 64 are over the age of 50 compared to less than 10% who would appear from the data to opt to be non-employed in order to care for children.

What is not clear from the electronic census data is the extent to which employed individuals in either category are working fewer hours than they might be able to do so or wish to do so. The survey data found that the 35–44-year-old age group had the highest number of people who would like to work less, but could not afford to do so whereas age groups of 55 and above were more likely to contain people who would like to work fewer hours and could afford to do so.

The potential policy responses for the two groups are quite different.

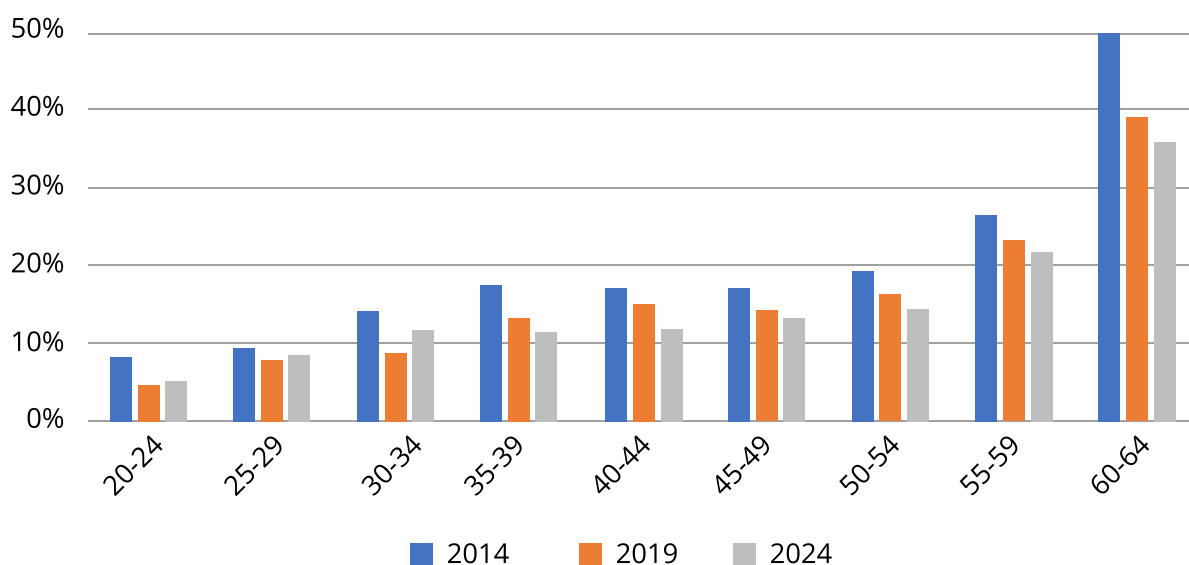
## Participation among those with parental responsibility

There are an estimated 450 people who might be non-employed due to typical parental responsibilities for younger children. These are predominantly (but not exclusively) women.

Rates of non-employment among women have fallen, likely as a combination of the natural evolution of working practices; cost pressures which require a second income to support a household; a greater share of men undertaking care responsibilities; and deliberate policy changes such as the Sex Discrimination (Employment) (Guernsey) Ordinance, 2005 and the Maternity Leave and Adoption Leave (Guernsey) Ordinance, 2016.

This increase in the last decade in participation for women between the ages of 20 and 50 (the age at which policies relating to parental responsibility are most relevant) has brought between 500 and 600 additional women into the workforce, generating between an estimated £4m and £5m in annual tax and contribution revenues between 2014 and 2024 (assuming median earnings). However, it would be a mistake to attribute this improvement to any one single change. Multiple factors influencing historical data and factors which might impact future trends is discussed below. Indeed, this may not have been a personal choice for some and is a necessity given the rising cost of living and inflation levels.

Figure 5: Rates of non-employment, unemployment and incapacity among women



In Guernsey, 71% to 77% of women and 90% to 94% of men aged 25 to 50<sup>4</sup> living in a household where the youngest child is under five participate in paid work. Among women, workforce participation is lowest among those where the youngest child is under a year old, nevertheless it is still more than 70%.

Participation among women increases to around 76% by the time the youngest child in the household is aged two-to-three years. It increases again to around 81% once the youngest child enters Year 1 - a level comparable to the rate of participation for women aged 25 to 50 in households without under 16s. Participation for women living in households with older children is actually slightly higher than it is for women in households without under 16s.

Until data on working hours are available it is not clear to what extent people are working reduced hours. Whilst the survey data provided some information in this regard, better data should become available in the next 12-18 months.

<sup>4</sup> This age range is intended to capture those most likely to have young children while reducing the effect on comparative participation rates of high levels of FTE among younger adults, and early retirement among older adults.

Figure 6: Employment status of adults aged 25-50, by gender and the age of the youngest child in their household

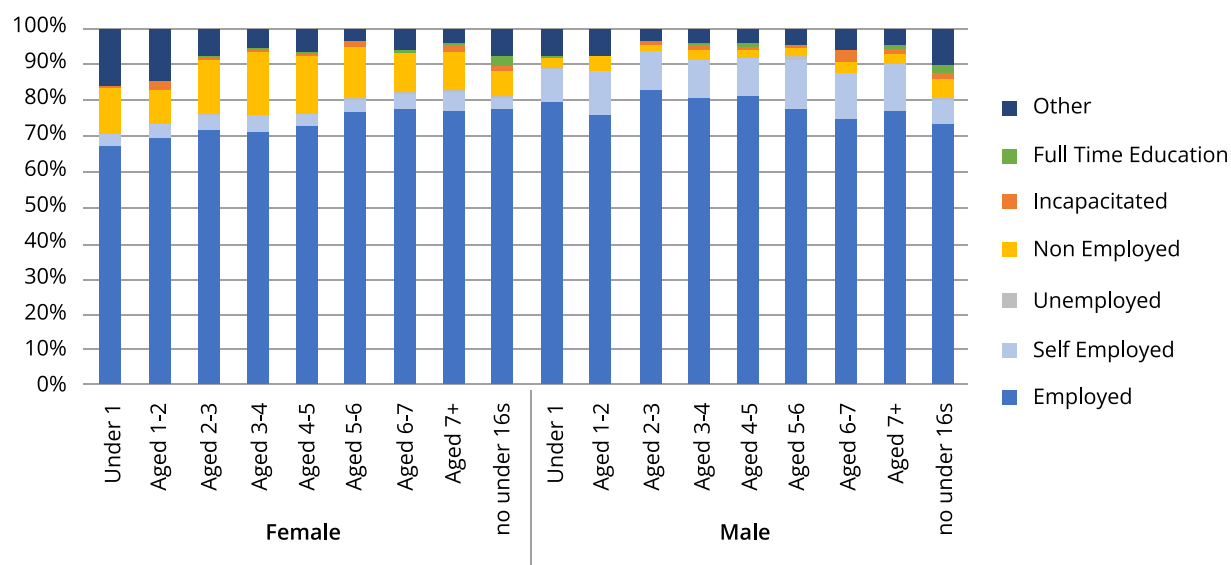


Figure 7: Employment status of adults aged 25-50, by gender and the age of the youngest child in their household

		Employed	Self Employed	Unemployed	Non-Employed	Incapacitated	Full Time Education	Other
<b>Female</b>		<b>76%</b>	<b>4%</b>	<b>0%</b>	<b>10%</b>	<b>1%</b>	<b>2%</b>	<b>7%</b>
Age of youngest child in household	Under 1	67%	4%	0%	13%	0%	1%	16%
	aged 1-2	70%	4%	0%	9%	3%	0%	14%
	aged 2-3	72%	4%	0%	15%	1%	0%	8%
	aged 3-4	71%	5%	0%	18%	0%	0%	5%
	aged 4-5	73%	4%	0%	16%	1%	0%	6%
	aged 5-6	77%	4%	0%	14%	1%	0%	3%
	aged 6-7	78%	4%	1%	11%	0%	1%	6%
	aged 7+	77%	6%	1%	11%	2%	1%	4%
	no under 16s	78%	3%	0%	7%	2%	2%	8%
<b>Male</b>		<b>76%</b>	<b>9%</b>	<b>0%</b>	<b>4%</b>	<b>1%</b>	<b>2%</b>	<b>8%</b>
Age of youngest child in household	Under 1	80%	9%	0%	3%	0%	1%	7%
	aged 1-2	76%	12%	0%	4%	0%	0%	7%
	aged 2-3	83%	11%	0%	2%	1%	1%	3%
	aged 3-4	81%	10%	0%	3%	1%	1%	4%
	aged 4-5	81%	11%	0%	2%	1%	1%	4%
	aged 5-6	78%	14%	1%	2%	1%	0%	4%
	aged 6-7	75%	13%	0%	3%	3%	0%	6%
	aged 7+	77%	13%	0%	3%	1%	1%	5%
	no under 16s	74%	7%	1%	5%	2%	2%	10%

## Policy approaches to grow participation in work among women

Although over ten years old, the OECD 2012 paper [Policies to Increase Labour Force Participation of Women and Older workers](#) concluded:

“Some of the factors affecting female participation (like level of female education, overall labour market conditions or cultural attitudes) cannot rapidly be affected by policy reform. Others, however, can:

- **Flexible working-time arrangements:** policies that remove distortions against part-time work will boost female participation (although care has to be taken not to allow this to create a segmented labour market).
- **Taxation:** in most OECD countries second earners in married couples (typically women) are taxed more heavily than single individuals, discouraging participation. Tax systems can also affect work-sharing decisions among couples; usually working against greater balance.
- **Support to families with young children,** in particular in the form of parental leaves (up to a duration of 20 weeks) and childcare subsidies are also identified as raising female participation. Longer parental leaves and child benefits, on the other hand, could depress it.

- Other policies that impact positively on female participation are: avoiding regulations that impede the growth of service sectors; immigration policies (because they impact on the relative cost of child care); and welfare delivered through make-work-pay schemes.”

## Flexibility

In the absence of data on working hours or working practices it is difficult to make definitive statements about what might be the current position with regards flexible working arrangements in Guernsey. Lack of flexibility was felt to be a barrier in the participation in work survey.

Improving technology has enabled more flexibility both in the hours and the location at which people are able to work. This should make family life and a working life easier to balance and may have increased both the number of women participating in the workforce and the number of hours they work. COVID-19 and the enforced lockdowns has likely accelerated this natural evolution.

However, this improved flexibility is likely less accessible to people working in client facing roles, including a large section of the less well remunerated roles, where the nature of the business requires staff to be available and at a defined location at set times. While there is no legal barrier to more flexible practices, the practicalities of how they might be applied in different circumstances likely means that flexibility is more accessible to higher earners than low earners. It is difficult to see how this inequality can be resolved without creating a disincentive to hire workers with young children.



The States of Guernsey have reformed the system of parental leave and associated benefits. The Maternity Leave and Adoption Leave (Guernsey) Ordinance, 2016, sets out up to 26 weeks for the mother (two of which are compulsory) and two weeks of maternity support leave for their partner. Under the associated benefit rules, after the initial two weeks of 26 weeks the parents could split the caring responsibilities and the allowance in whatever way best suits their circumstances. However, while there is a statutory right for maternity leave, there is no statutory right for partners to opt to take a portion of the leave period instead of the mother, as in other jurisdictions. The absence of employment protection for fathers/partners may lead to the caring responsibilities falling predominantly to women.

A lack of job opportunities offering flexible working opportunities was the barrier most often cited amongst those not working and wanting to work in the survey. Further exploration of this topic during the focus groups highlighted that this was both with respect to working hours and work location; and also, that whilst flexible working solutions may be found for pre-existing employees, in the experience of the sample taking part in the consultations, it was rare for jobs to be advertised with flexible working options attached, particularly centred on working hours.

Both Jersey and the UK have legislation that sets out a right for employees to request flexible working (although businesses can decline such requests where there is a business reason to do so). The States have previously agreed that they would progress detailed proposals for the enactment of legislation to provide employees in Guernsey with a right to request flexible

working, but work has not yet been prioritised in the context of sustained high employment levels.

## Taxation and benefit systems

Guernsey does not directly tax a second earner more. A couple with children (there is provision for unmarried couples in these circumstances) is able to access two full allowances regardless of whether the second member of the couple is earning. This effectively reduces the additional financial benefit of the second earner working since up to 20% of their potential income could be recouped through the transfer of allowances should they choose not to work.

**A move to remove, reduce or restrict the ability to transfer personal income tax allowances between spouses (potentially with an increase in the allowance itself if the desire was for a net neutral approach) could increase the financial incentive for a second earner to work, since the benefit of the second allowance could only be accessed in full if they did so.**

This would be a significant change in policy. It has been discussed and rejected by the States before, in a different context. Households transferring an allowance in full in 2024 will gain £2,780 of benefit from the ability to do so. For many households who take advantage of this feature this is a meaningful portion of their income.

The use of this facility is not particularly common among working age households because participation rates for women have increased over time. Even working just a 20-hour week at minimum wage a second earner would expect to use most of their personal tax allowance.

The transfer of allowances is much more common among pensioner couples where one spouse (usually the husband) has significantly more pension and other income than the other. This pattern is itself a result of historical low rates of participation and access to pension saving among women. By implication, the withdrawal or restriction of the facility has the potential to negatively impact pensioner couples.

Introducing such a policy change would therefore need careful design and phasing and would have to be considered in the context of wider on-going taxation and contribution discussions.

The structure of the Social Security System could also be used to improve the financial incentives for a second earner to participate in the workforce. As currently structured, social security contributions are made in respect of all earnings as soon as the lower earning threshold is exceeded (currently £184 a week in 2025). This means that the social security liability for part time workers is higher than it might be under a more progressive system.

**A restructure such as that agreed in the 2025 Budget, which will add an allowance to employed contributions, should increase the incentive to work by allowing low income and part time workers to retain more of their income. This is expected to be implemented within two to three years.**

Reducing the marginal Income Tax rate on lower incomes may also increase the financial benefit gained from working additional hours for those working part time. Given that where families do have a second earner, they often work part time, allowing them to keep more of their income could encourage participation among parents. A reduction of the marginal rate of Income Tax on income up to £30,000 (subject to adjustments for inflation since the original proposal was laid) is included in the tax reforms agreed in the 2025 budget.

**This lower marginal tax rate should be particularly advantageous to low income and part time employees and should support making a choice to participate in the workforce part-time or on low income more attractive, versus, no participation.**



The structure of the Income Support system creates a disincentive to return to work or work additional hours for those who make claims. As currently structured, households in receipt of income support also receive a £40 disregard per earner per week (or £60 per week if a person receives both carer's allowance and income support). Up to this disregard limit, they do not lose any benefits for earning more money.

Beyond this notional amount, for every £1 of additional income after tax, benefits are reduced by £1 – producing a withdrawn rate of 100%. By comparison UK Universal credit is withdrawn at a rate of 55p for every £1 of additional earnings- i.e. a rate of 55%.

This means that there is no financial incentive for claimants to work beyond the £40 disregard. The system relies on a “work-requirement” (a set number of working hours which income support claimants are required to meet). The majority of households subject to the work requirement meet it and claimants who persistently fail to meet their work requirement can be subject to benefit sanctions. However, the £1 for £1 loss of benefits means that claimants have no financial incentive to earn more either by working more hours or accepting promotion since claimants could gain no further financial benefits from doing so. It further actively incentivises the concealment of additional casual income because, if declared, the amount is deducted, in full, from the claimant's benefits.

Conceptually, this is a fundamental flaw in Guernsey's income support system. Alongside the loss of benefits like free primary medical care once a claimant moves beyond the benefit system it contributes to a poverty trap which makes it difficult for people to pursue financial independence (an issue common to most social welfare systems).

This would be a complex and expensive problem to solve. However, in an attempt to address this flaw, claimants can continue to receive assistance with medical expenses, such as primary care, when they have no financial entitlement to benefit, as long as their income does not exceed the weekly benefit entitlement by more than £60 per week.

**Reshaping the income support system so that claimants can keep a portion of any additional income earned could incentivise greater participation among claimants. However, previous investigation suggests that doing so would be very costly and, given the limited earning potential of most income support claimants, likely not to be cost effective as a financial measure.**

## Support to families with young children

### Legislation

Guernsey has lengthened the States' funded provision of parental leave benefits and expanded it to allow transfer between parents, but it is still some way behind comparator jurisdictions. For example, while Guernsey provides up to 26 weeks of parental benefit funded from the social insurance system (transferable between parents), there is no



requirement for the employer to make any contribution and there is no statutory right to take parental leave, only a right to maternity leave and two weeks' maternity support leave. By contrast, in Jersey, amendments to the employment legislation in 2019 introduced a legal entitlement to parental leave for both parents of a child of up to 52 weeks with a minimum of 6 weeks at full salary to be funded by the employer for both parents.

**The research suggests that increasing the length of parental benefits further is unlikely to improve participation rates (it might have other benefits). However, giving a statutory right to either parent to take the leave could make it easier for women to remain in the workforce and increase their earnings potential. This would improve equality but may have a smaller or no impact on overall participation.**

## **Free childcare provision**

Guernsey offers 15 hours a week of free pre-school education to children in the year they turn four (the year before they enter full time education). The policy objectives of this funding initiative are to ensure that all children are able to access 15 hour of pre-school education if their parents wish. So, the original objectives of

the 15 hours of funded pre-school education were to meet education objectives rather than for workforce participation or childcare reasons.

Jersey offers 30 hours a week, also for the year a child turns four. There is no requirement in either island for parents to demonstrate that they are working in order to receive this.

England has presented proposals to increase the availability of free childcare provision from three- and four-year-olds to pre-school aged children from nine months. There are both minimum and maximum earned income thresholds for access. There have been issues with the existing free childcare provision. The rate paid for free placements does not cover the cost for some providers meaning some nurseries cross subsidise with higher prices for paid care hours. The extension of this to cover a greater percentage of care hours makes the size of the payment attributed to free care hours more critical, since the ability for providers to cross subsidise is reduced the more "free" hours are made available. Concerns have also been raised about whether the current market has enough capacity to accommodate the additional demand.



Figure 8: Government policies for childcare, comparing Guernsey to England’s provision

	England Current	England Proposal	Guernsey Current
<b>3 and 4 year olds</b>	30 hours of free care for families with earnings of at least £183 a week but less than £100k a year*		15 hours per week (term time only) of free preschool education in the year before a child starts school for families with income less than £150k. Most child-care costs covered for working parents in receipt of income support <sup>5</sup>
<b>2 year olds</b>	15 hours free care from April 2024 (earnings limits applied).	30 hours from September 2025	Most child-care costs covered for working parents in receipt of income support
<b>9 months to 2 years</b>	15 hours free care from September 2024 (earnings limits applied).	30 hours from September 2025	Most child-care costs covered for working parents in receipt of income support

\*For both partners, dependant on age and based on earnings over three months<sup>6</sup>

Based on available data we know:

- Uptake of the current childcare package is high (over 90% average since it was introduced).
- Female participation rates for 25- to 50-year-olds in work (employed or self-employed) or education are lowest for those living in a household where the youngest child is under one at 71%. (Data for June 2024 considered by age in the academic year). Note that there is a legal requirement to take at least two weeks maternal health leave and that most women will take some parental leave beyond this.
- Female participation increases to 74% for women living in households where the youngest child is between one and two, and remains at about the same level (74-77%) until the youngest child is five-six (academic Year 1).
- Female participation increases to 81% where the youngest child is in Year 1 and increases to 83% where the youngest child is seven or older.
- This compares to female (ages 25-50) participation of 81% in households where there are no under 16s and male (ages 25-50) participation ranging from 88 to 94% in households where there are children under 16.

<sup>5</sup> This is assessed as part of income support claims and parents are only able to claim for hours worked +travel time

<sup>6</sup> [Check you're eligible for free childcare if you're working - GOV.UK](#)



- There are around 170 non-employed women and 30 non-employed men whose decisions to work or not work might be influenced by a policy to extend the availability of free pre-school placements.

The inferences that can be drawn from this data are as follows:

- The data does **not** indicate that the current provision of free preschool education for three-to-four-year-olds reduces the amount of non-participation for those households with a child of an age to be eligible compared to households with a child a year younger.
- Not every household that takes up the free provision has two working adults (or one if a single adult households) and some of the provision is made to households where at least one adult is not employed.
- Participation rates for women with young children remains significantly lower than for men even after the youngest child enters school, implying that some of those currently not participating will choose to continue not working if additional childcare hours are available.

There is currently no full data set on working hours, so it is not known whether the number of hours worked by those in households with small children is significantly less than in those without. There are good reasons to believe part time work is common among women with young children, but it is not clear:

- What impact the current provision of free childcare for three-to-four-year-olds has on the number of hours worked (as opposed to the decision to work or not work);
- What the behavioural response will be in terms of working hours if additional free childcare is offered.

The participation in work survey indicates that far more people who completed the survey would like to work less than would like to work more and that the group of people wishing to work less but who cannot afford to do so is largest in the age 35-44 age category (Appendix 1). This suggests that in terms of improving the work-life balance of those in this age group with both work and caring responsibilities, the economic benefit for the Island is not likely to be significant relative to the potential cost of increasing the amount of free childcare.



It is not known:

- How many people may change their working pattern;
- The extent to which people reduce their working hours specifically to provide childcare or whether their decision to reduce their working hours had other contributing factors;
- The extent to which people exit the workforce specifically to provide childcare or whether their decision to exit early had other contributing factors;
- The extent to which people would choose to provide childcare regardless of the extent of free care on offer.

It is possible that by introducing more subsidised childcare, a number of people in this age group may then be able to afford to work fewer hours, offsetting (or potentially more than offsetting), the number of parents returning to work or working more hours. This is supported by the participation in work survey results, where the data collected is likely to be representative of the working age population and the engagement from those not working was lower.

Even if increasing the amount of free childcare were to make some level of improvement in participation and hours worked, the cost benefit analysis is likely to be complex. 'Participation in work' rates among parents are already quite high, but the degree of part time work undertaken is not clear. There are also several potential behavioural responses:

- People who are already working as much as they wish will receive a net financial benefit for **no change** in their participation;
- People who are working less than they wish may **increase** their working hours if more free hours are available (increasing their overall income);
- People who are working more than they wish may **reduce** their working hours if they can get some of their existing childcare hours free (substituting work for more time with their family as their finances are made easier)
- there was a strong indication from the participation in work survey that this may be a significant response given the number of survey respondents who indicated that they would like to work less but could not afford to do so, with reasons given for this including to achieve a better work-life balance.
- People who are relying on family members (usually grandparents) may switch to a greater proportion of their childcare to a formal placement. The participation of the parent may not change but this may or may not induce the grandparent to participate more.

Given the relatively small number of parents with young children not participating at all, for changes in policy to be an effective economic enabler, the increase in activity will need to come predominantly from either: working parents working more, or grandparents who provide care returning to work or working more. Given the extent of either part time

employment or care provision by grandparents who might otherwise work is largely unknown at this time, the impact of a policy change is likely to prove difficult to estimate. The participation in work survey indicated that those who wanted to work less often had high working hours as well as responsibilities on their time outside of work.

At present, the provision of free childcare (which is limited to households with a self-declared household income below £150k) costs £2m. A full extension of the provision to match that proposed by the UK government would cost a provisionally estimated £8m-£10m a year.

Figure 9: Provisional estimated costs of providing a full extension of the UK government's childcare provision

Current cost of 15 hours provision for 3-4-year-olds	<b>£2m (excluding grants)</b>
Cost of increasing 3-4-year-olds to 30 hours	<b>£2m</b>
Cost of expanding to 2-3-year-olds at 30 hours a week	<b>£3-4m</b>
Cost of expanding to 1-2-year-olds at 30 hours a week	<b>£3-4m</b>
<b>Total provisional additional cost estimate</b>	<b>£8-10m</b>

Considering this another way, if each hour of childcare costs the States £7 to gain that sum back in additional tax and social security each hour of free provision would need to generate at least £27 of additional paid work to be entirely cost neutral. Given that the majority of free hours will be provided to parents who would otherwise pay for at least some of the provision offered, that is a high bar to achieve under this model.

Alternatives to free childcare provision might be consideration of a co-payment model or employer salary sacrifice scheme, extending provision but adding a minimum earned income requirement, or making childcare costs tax deductible.

One area that was raised several times in survey responses and at the focus groups was the lack of provision for children with additional needs and the financial impact this has on their families if parents have to give up work to care for their children because appropriate support is not available elsewhere. In particular, the appropriateness of the venue and level of care offered by existing holiday playschemes/ childcare was not suitable for some children.

**Overall, this analysis suggests that a decrease in non-employment from increasing free childcare provision is unlikely to be sufficient to cover the cost of a change in policy.**

## Access to family allowance

Other moves which might encourage participation among parents is the reduction in the age of the child at which you can claim a contribution credit from 16 to 12 if you are in receipt of family allowance, with effect from 1st January 2025. This change is being progressed by the Committee *for* Employment & Social Security and will mean that those currently utilising this function will stop accruing pension entitlement once their child reaches 12 unless they return to work or make a voluntary contribution. There are between 70 and 130 people for whom this might be a valid consideration.<sup>7</sup>

### Participation among those approaching retirement

Workers usually retire voluntarily only when they can afford to, which typically means waiting until they reach an age or situation in which they can begin to draw retirement benefits. In Guernsey, with exceptionally high rates of owner occupancy among over 50s, this is typically when they have paid their mortgage or inherited wealth from a parent and children may have left home or finished university.

Early retirement is particularly common among women, anecdotally because women commonly take on care responsibilities for their grandchildren or their parents once they have the financial stability to exit the workforce.

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<sup>7</sup> Contribution credits are only awarded to non-employed persons in receipt of family allowance who are not liable to pay a contribution.

The difficulty with increasing participation in work for retirees is that they are generally (but not exclusively) choosing to exit the work force and sacrifice part of their income for more leisure time or wider family commitments and because they can afford to do so. This means that they have little interest in financial incentives to return to work.

It also means that those who exit early are either those who have been higher earners themselves or whose spouse is a high earner.

## Increased pension age

The increase in the States pension age to 70 by 2049 was agreed in 2015. This extends the time anyone exiting the workforce early would have to support themselves financially without the addition of a States pension.

People may continue to exit the workforce before their States pension age, either because they have the financial means to do so or because their state of health will not permit them to continue working.

**Without taking any further action, the increase in pension age already in progress should gradually increase participation in the age groups between 50 and 64. Participation among those aged 64 to 70 will also increase although unlikely to be as high as the current participation rate for those aged 60 to 64.**

The increase in the pension age could be accelerated from two months to three months a year which might increase the size of the older workforce in the short term, but the long-term position will be the same. It would affect the pension age of people with potentially limited notice and reduced time to plan financially

to provide themselves options. Additionally, the existing arrangements to stagger the increase in the pension age have already been well publicised, are believed to be generally well understood, and have been in place for approaching ten years.

The agreed increase in the pension age to 70 is already substantially higher than that agreed in most jurisdictions (including both the UK and Jersey), although the general expectation is that most will reach this level eventually. It is unlikely that it would be feasible to increase it further in the foreseeable future.

## **Making early retirement less attractive in the public sector**

The Public Sector Pension Scheme has been mandatory for most employees for very many years. Anyone joining the Public Service prior to 2008 secured a scheme retirement age set at 60 (earlier for blue light services). New joiners after 2008 or who transitioned to the Career Average Revalued Earnings (CARE) scheme in 2015 will have had their employment pension age aligned with the States pension age. At the transition to the CARE scheme anyone within ten years of their formal retirement date had their pension position protected in the transition agreement. In addition, a number of staff opted to make additional contributions to the scheme in order to protect their access to retirement at age 65.

**The changes already made to the Scheme have made early retirement less attractive as pensions are actuarially reduced should staff choose to retire early. This should reduce the number of public sector employees retiring early over time, without further changes.**

## **Making early retirement less financially attractive generally**

Under the current tax rules individuals can withdraw a tax-free lump sum from their pension up to 30% of the fund value up to a limit of £203,000 if the individual is aged between 50 and 75 (exceptions can be made for incapacity).

There is some element of competitive consideration in this policy position in terms of recruitment and retention, particularly among senior employees if they might be able to access their pension earlier or later. Jersey also applies a 30% limit on lump sum withdrawals between 50 and 75 but without a monetary limit. Any withdrawal above the limit is taxable at 10% (not 20%). The UK lower age limit on pension withdrawals is set at 55 and the withdrawal limit is set at 25%.

Among those with larger pension pots it is not uncommon for people to take a loan from their pension, and the lump sum is used to repay this loan.

**These age limits have not been amended since the increase in the States pension age. Matching the age bracket to the increase in the State pension age could deter very early retirement. This would mean implementing a change in the rules for schemes which are already well established and could be fairly complex. While very few individuals choose to remain in the workforce past 75, the upper limit could also be reviewed, noting that extended deferral allows these assets to be rolled up and potentially passed on to the heirs without tax.**



Further restricting the size of the lump sum could also be considered as a tool to de-incentivise early retirement.

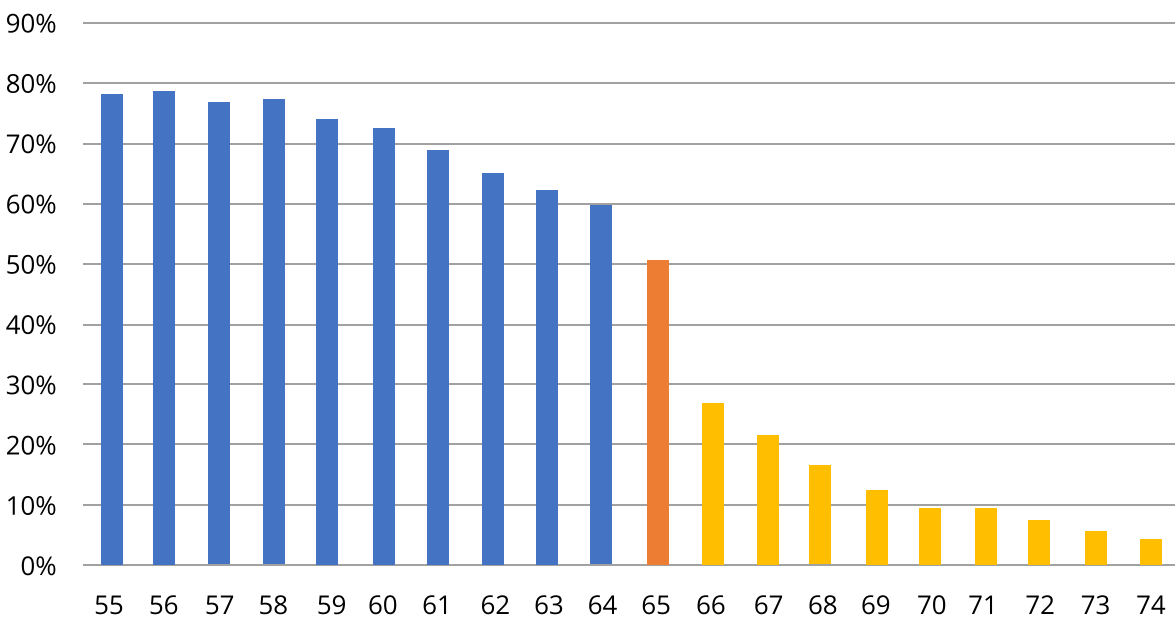
### Deferred States pension

A deferred pension is where a claimant can access an actuarially increased pension payment if they pay into the scheme for longer. Such approaches are applied to State pension schemes in a number of jurisdictions.

A deferred pension could be used to encourage people to work beyond the State pension age. However, if the offset is not complete (i.e. the increase is not actuarially fair, so the State retains some of the financial benefit from people deferring), the effective result is an implicit tax on continuing in work.

Given that a large number of people retire before they qualify for a pension, there are a limited number of people for whom deferred pensions might be an attractive option who do not already choose to work beyond pension age. In 2024 the pension age was 65 and 10 months, but only 60% of people aged 64 remained in the workforce with 27% of people aged 66 continuing in employment (likely part time but that cannot be demonstrated). This suggests that an absolute maximum of 33% (about 200 people per year group) might consider a deferred pension, who would not have chosen to work anyway. The numbers of people who might consider such a scheme are likely to reduce as the States pension age increases further.

Figure 10: Workforce participation between the ages of 55 and 75 (2024 pension age = 65 year and 10 months)



A deferred pension scheme is likely to add significant complexity to pension claims (which are currently managed by less than two FTEs) and to be attractive would need to be actuarially fair (with no long-term net benefit to the Guernsey Insurance Fund).

**Previous provisional assessments of such deferral schemes have determined that this would be of limited financial benefit in Guernsey, and this is particularly true in the context of an eventual increase in the States pension age to 70. If, as the progression of the pension age to this level progresses, the increase becomes difficult to sustain, a more flexible pension offering might be alternative. However, it needs to be attractive at an individual level and would be more complex to administer.**

## Incentivising employers

The idea of reducing employers' contributions has been raised as a mechanism to encourage employment of people over pension age. If there was an issue with older people finding employment, should they wish to work, this may increase participation, but it is not clear whether this age group is experiencing challenges in securing employment if they want it. There is not, for example, an increase in the number of unemployed people approaching retirement, and a significant minority of people do choose to work beyond retirement and are able to find or remain in employment.

**A 1% reduction in employer contributions for people above state pension age would cost an estimated £400K. However, it would be prudent to establish the extent to which there are people in the community who would like to work beyond pension**

**age but are unable to find employment before committing to this course. Only five respondents to the participation in work survey were both over 65 and indicating that they wanted to work but unable to do so.**

## Removing contractual retirement ages

There is currently no legislation in Guernsey that dictates the age at which an employee should retire, nor are there currently any laws prohibiting a retirement age within the employment contract.

Unlike in Jersey, where one of the statutory justifications for dismissal is retirement, whether an employer can lawfully rely on a contractual age as a fair reason for dismissal when terminating the employment of an employee (i.e. as "some other substantial reason") has yet to be determined by Guernsey's Employment and Discrimination Tribunal (the "Tribunal") ([guernsey-employment-a-z-guide.pdf](https://www.guernsey-employment-a-z-guide.pdf) ([bedellcristin.com](https://www.bedellcristin.com))). It will also be dependent on what the States decide the legislative position to be with respect to age discrimination legislation and contractual retirement ages.

Age discrimination is due to be considered in April 2025 for incorporation as a Protected Ground into the Prevention of Discrimination Ordinance 2024. If these policy proposals are approved, once this comes into effect, other than in exceptional circumstances that can be objectively justified, it will no longer be possible to stipulate a contractual retirement age in a contract of employment.

This may not increase participation directly, but it should prevent individuals who want to continue working from being forced from their existing employment. Age discrimination was identified as a barrier to working in the participation in work survey.

## **Making care and work more compatible**

A significant proportion of people in their 50s and 60s are providing informal care for either (or in some cases both) their grandchildren and parents. Many of these people reduce their working hours or exit the workforce completely to provide such care.

Informal care is a vital part of societal cohesion and is an economic enabler. The States could not provide all the care and support required to allow all the carers who wish to return to work to do so.

The [Longer Working Lives](#) strategy explored how to support carers balance work with their responsibilities and The Prevention of Discrimination (Guernsey) Ordinance, 2022 introduced Carer Status (in relation to care for a person with a disability not childcare) as a Protected Ground.

## **Supporting people back to work after illness or injury**

An exit from work due to physical health problems becomes more common among older workers but, even in the 60-64 age group, those with illness or invalidity related claims are the minority of non-employed. In total 325 non-employed individuals are in receipt of only

sickness, invalidity or similar benefits, with a further 400 who claim these benefits residing in a household which receives Income Support. A number of these individuals will have conditions incompatible with returning to the workforce.

Supporting those able to work in some form back into the workforce after such events can promote greater participation. The first phase of the Supporting Occupational Health and Wellbeing (SOHWELL) programme saw significant work undertaken on redesigning the medical certificate, which is used to claim sickness benefit. Certificates were adapted so that medical professionals could signpost patients for workplace support and supply more information about what workplace adjustments could be made for a person to return to work sooner.

The current phase of the SOHWELL programme launched in 2023. It includes cross-Committee workstreams with an increased focus on prevention and early intervention activities to improve access to occupational health and the health and wellbeing of the population. This will further support a reduction in the number of people absent from the workplace due to long-term illness.

Since the programme started, there has been an increase in people accessing Social Security's work rehabilitation initiatives. Overall, the rate of increase in long-term incapacity benefit expenditure has slowed and started to level off. This aligns with the introduction of SOHWELL Case Managers and improved early intervention policies.

Through Social Insurance legislation and the provision of 'back to work' benefits, the Committee for Employment & Social Security provides work rehabilitation initiatives. Amongst other, these include:

- the ability to allow a person claiming sickness benefit to return to work over a gradual period (which may allow for a more sustainable and successful return to the workplace)
- the provision of a back to work bonus (for people returning to work after a sustained period of incapacity)
- a recruitment grant to employers who recruit a person with significant barriers to employment because they have been claiming incapacity benefit or unemployment benefit for at least six months.

As part of the SOHWELL programme, a review of the existing back-to-work provisions is taking place. This, along with other key workstreams, aims to support people to remain in or return to the workforce more quickly and more successfully. Healthcare factors such as orthopaedic waiting lists and access to post-operative support is also likely to have an impact on how quickly a person is able to return to the workplace.

The implementation of anti-discrimination legislation and the requirement for employers to make reasonable adjustment to support their employees' needs should support participation among those whose physical fitness may decline towards the end of their working life to remain in work for longer.

One of the key milestones within the SOHWELL programme is the development of a work and wellbeing strategy. Investing in pro-active and preventative measures at an early stage is important to preventing common health issues from becoming long-term, supporting employees in managing health conditions within the workplace, and supporting employers with return-to-work plans. The strategy aims to set out a road map to develop and maximise the effectiveness of services which support workforce participation and help people lead healthier and sustainable working lives.



## 6 Stage 1 Conclusions

Given the objectives in this work have been to consider how the population can be encouraged to participate, or to participate more, in work in order to improve taxation revenues:

The following is already progressing and could increase or extend active participation in work over time:

- The phased increase in the State pension age to 70 by 2049.
- The Public Sector Pension Scheme (excluding those in blue light services and with protected pension arrangements) is now mostly on a formal retirement date aligned with the State pension age.
- The reduction in the age of the youngest child from 16 to 12 for which a non-employed parent can claim a contribution credit.
- A person in receipt of Income Support who is a single parent or a partner in a couple that is primarily responsible for childcare is expected to work part-time (a minimum of 20 hours per week) from the point at which their youngest child turns three (previously five) from September 2024.

The following can be introduced at any time:

- Encouraging the private sector to improve access to flexible working and to consider advertising jobs more flexibly.
- Promoting that income support can already cover childcare expenses in some circumstances.
- Promoting the recruitment grant.
- Encourage making job application processes appropriate and proportionate to the level of job being applied for.
- Offering independent better-off-in-work calculations supported by the third sector.

The following are underway as exploratory projects or already directed by the States in principle and require further decisions by the Committee *for* Employment & Social Security or States resolutions:

- Resolution 10 from the Policy Letter 'Contributory Benefit and Contribution Rates for 2024' amended the Social Insurance (Guernsey) Law, 1978 by Ordinance to give the Committee *for* Employment & Social Security a power, by Regulations, to adjust the aggregate period for which unemployment benefit is payable, from time to time, subject to a minimum aggregate period of 10 weeks and a maximum aggregate period of 30 weeks. Regulations have not yet been made.





- Implementation of age as a Protected Ground if policy proposals are approved by the States in 2025, meaning it will no longer be legal (with exceptions) to stipulate a compulsory retirement age in contracts.
- Restructuring the Social Security contributions system in order to provide an allowance to all contributors. This was approved as part of the tax reforms presented in the 2025 Budget. States approval of the legislation is required in due course with implementation as part of wider taxation changes. These are due to come into effect no sooner than 2027.
- Implementation of lower tax rate on earnings up to £30,000<sup>8</sup> which makes part-time working relatively more attractive as people would keep proportionately more of what they earn. This was also part of the Tax reform approved in the 2025 budget and is subject to further States approval of legislation.
- Implementation of the States Resolution from Longer Working Lives regarding flexible working. This is subject to further policy proposals and legislation being approved, noting there is no bar to individual employers reflecting best practice which can be promoted by the States and business leaders pending the take up on this work.
- SOHWELL, with potential adjustments to access to work, back to work benefits and the recruitment grant to make returning to work more attractive. Adjustments to regulations will be brought to the Committee for Employment & Social Security that are within the Committee's mandate and regulation-making powers to agree.

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<sup>8</sup> This will be subject to inflation adjustment before implementation is complete.

The following have been identified as requiring further work to determine their cost/benefit ratio and assess any conflict with other States' policies before sponsoring Committees can make informed decisions of their effectiveness in increasing participation in work:

- Removing the ability to transfer allowances, particularly for working age couples.
- Reviewing access to work to consider the provision of transport to work under the Access to Work Scheme.
- Reviewing the age at which people can access tax free lump sums from their pension and the financial limits placed on withdrawal amounts for any new agreements.
- Providing targeted childcare provision outside school hours for children with additional needs.
- Applying a 1% reduction in employer contribution for those employing people above pension age, noting that before this is progressed it will be necessary to further investigate the extent to which finding employment is a barrier to older people as non-working people over State pension age were under-represented in the participation in work survey.
- Introducing childcare as a non-taxable benefit in kind/salary sacrifice offered by employers (noting that some people might choose to work fewer hours).
- Further reducing the age of children for a work requirement to exist under Income Support or further reduce the age at which contribution credits are withdrawn.

The following are either not practical or are unlikely to be cost effective at this time as routes to increase participation in work:

- Reshaping the Income Support system to remove the £1 for £1 loss of benefits.
- To either increase free/subsidised pre-school provision or increase or widen the age range at which it is available (noting that this benefit may only be marginal in terms of participation and could risk reducing participation). It would also be expensive, and supply and capacity would be an issue. Any extension in provision could be re-modelled with different criteria if the policy objectives shift from one with an education focus to one with a participation in work focus which may make it more affordable to the States but would not necessarily then achieve the education objectives which are as important for our future economy.
- An increase in the length of statutory paid parental benefits.
- A statutory right for parental leave (at present only the mother has statutory employment protection to take the 26 weeks leave (other than two weeks of maternity support leave), which means that women are more likely to care for children and/or work part-time).
- Accelerating the increase in the state pension age.
- Further increasing the state pension age.
- Implementing an option to defer pension claims for an actuarially increased pension.



# A

# Appendix 1: Participation in Work Survey

## Background

In an effort to gain a broader understanding of islanders' participation in the workforce, the States of Guernsey ran an online survey to capture what barriers obstruct people from working or from working as much as they would like to. This evidence supports the findings in the "Participation in Work Report", together with analysis of the Childcare Sector Survey ran by the Committee for Economic Development. A more complete picture will be understood once data is collected and analysed a few months after the Secondary Pensions scheme is fully implemented.

## Survey

The aim of the survey was to gather evidence about work-life balance, desires to alter working hours and obstacles preventing people from participating in work. It was launched on Thursday 18th July 2024 and closed on Sunday 15th September 2024, gaining 664 responses.

The survey was open to anyone aged 16 or over in Guernsey, Herm and Jethou – working or not working.

## Demographics

People were asked in which parish they lived, to ensure the results were a close representation of the island's demographics with a representative parish split. The results were suitably reflective of the island's population spread.

Although almost 300 more women than men completed the survey, this is a trend usually seen in survey completion.

The age groups of people between 16-24 years old and 70+ were underrepresented, but the number of responses from people in the 35-44 and 45-54 age groups were overrepresented by 10%. To address this, a weighting was applied to the figures to ensure the data is reflective of the island's demographics.

## Current work situation

Depending on how respondents answered an early question about how they would describe their current work situation, people were routed through the survey differently to avoid asking people questions that were not relevant to their circumstances. 90% of the female respondents and 87% of the male respondents were in work at the time of completing the survey. This compares with 53% of the female population and 62% of the male population (aged 16 or over in Guernsey and Alderney as at 31st March 2023.)

3% of the respondents said they were not working at all but wanting to work. The remaining 7% of respondents said they were not working at all and not wanting to work, or were unable to work.

As at 31st March 2023, 42% of the population (aged 16 and over in Guernsey and Alderney) were not employed or self-employed. The 10% of the not-working survey respondents are not likely to be a representative sample of this portion of the population. However, the information they provided will still be useful to

aid understanding of their circumstances and views. However, the 472 survey respondents who said they were working should be broadly representative of the employed or self-employed population after being statistically adjusted for age and gender.

As shown in Figure 1, a large majority of respondents did not indicate they wanted to work more. This is further represented in Figure 2 by grouping attitudes.

Figure 1 - In answer to the question: Which of these best describes your current work situation?

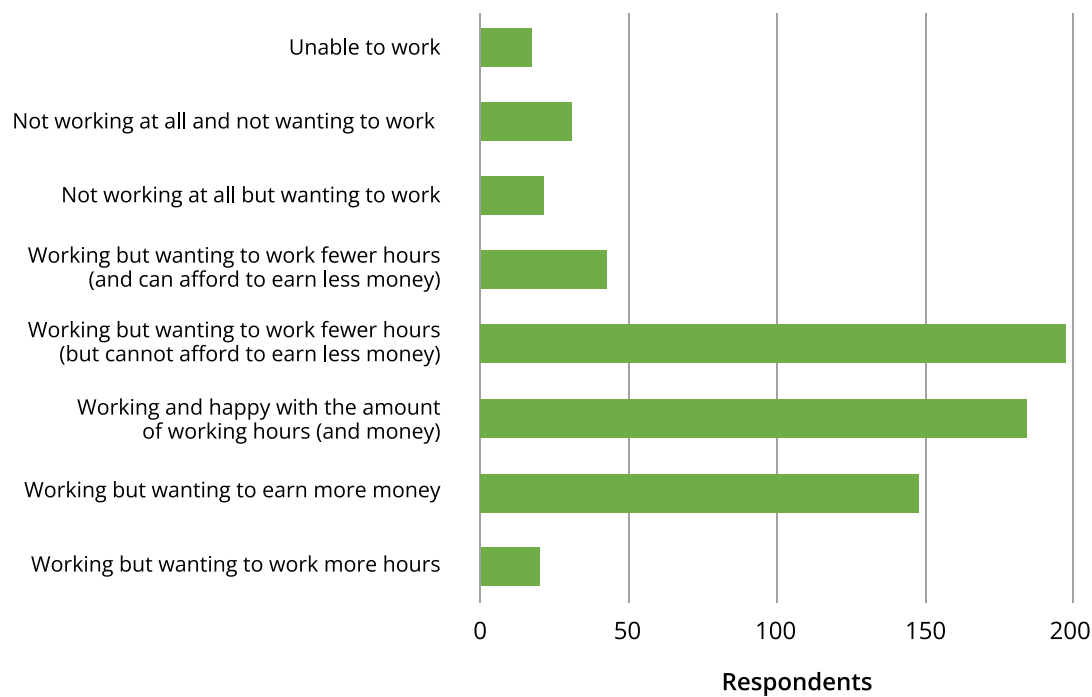
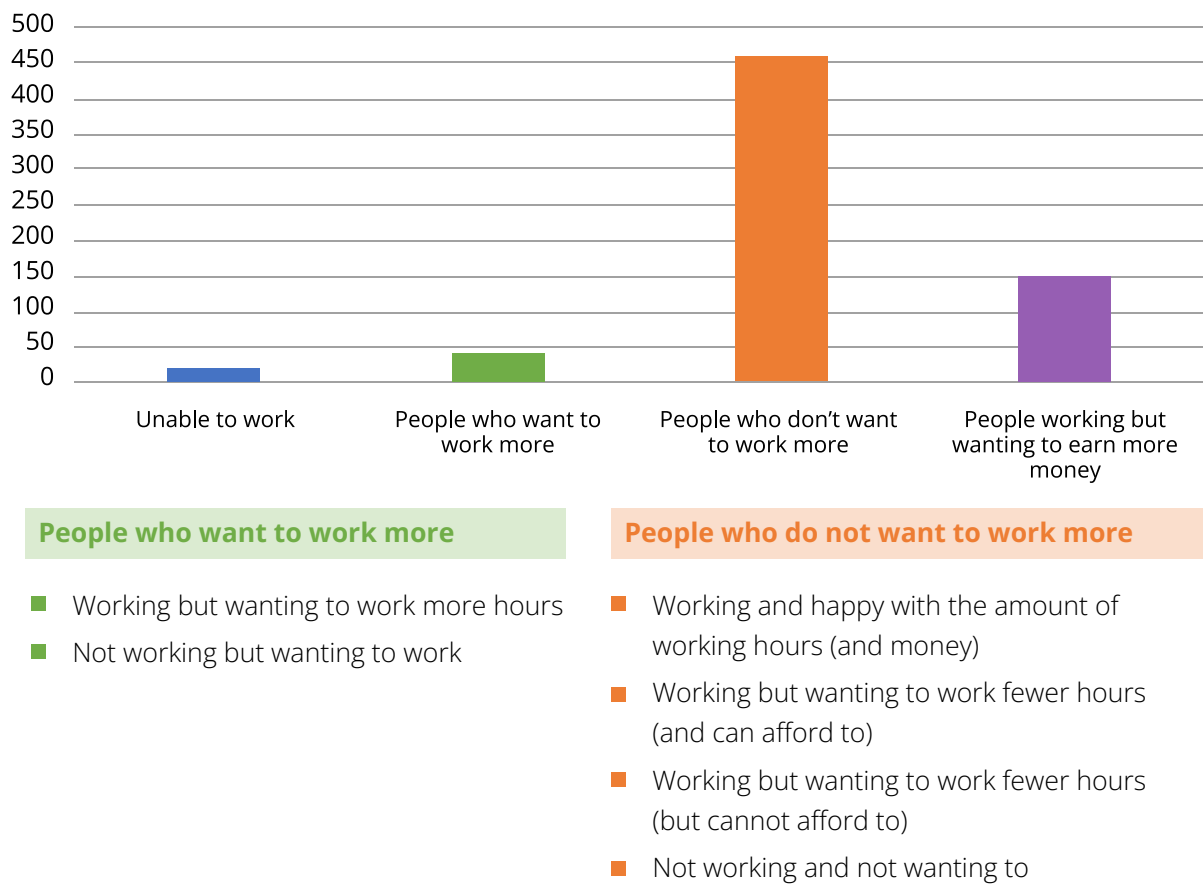




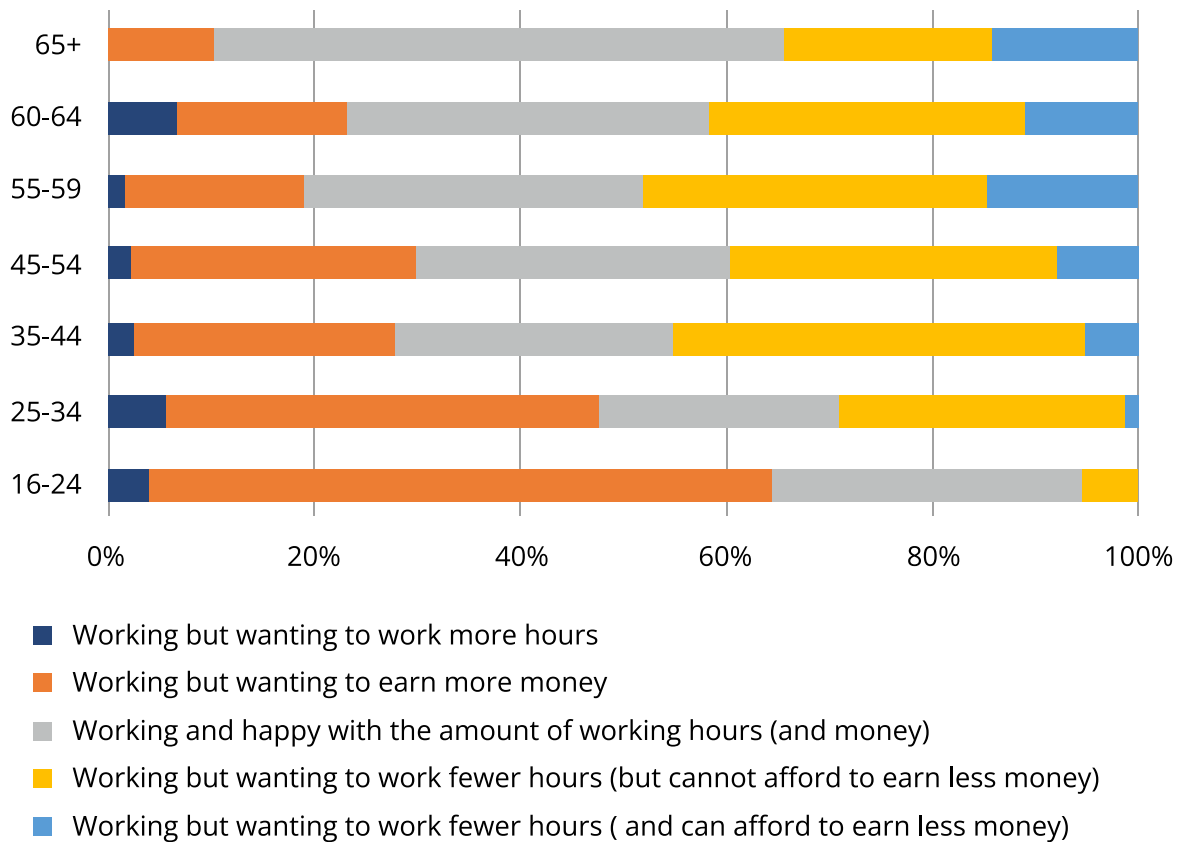
Figure 2 - Responses on current work situation, grouped into people who may want to work more and those for whom it can be assumed do not want to work more.



Splitting the responses based on people's answers about their current situation, an assumption can be made that people who may want to work more are those who selected 'Not working but wanting to work', or 'Working but wanting to work more hours'. The others, which includes 'Working and happy with the amount of hours (and money)', 'Working but wanting to work less' and 'Not working and not wanting to' are assumed to be people who do not want to work more. Neither is reflective of those who were working but wanting to earn more money. Although there is a case to argue that people who wanted to earn more may wish to do that by working more, that is not what the rest of their survey responses tend to suggest.

In answer to the question 'which of these best describes your current working situation', the number of people who were working but wanting to earn more money increased as the age groups got younger, with half of 16-24 year olds answering that they wanted to earn more. However, for people aged 35-44, the most popular response was 'working but wanting to work fewer hours (but cannot afford to earn less money)'. As the ages increased, so too did the amount of people who said they were 'working but wanting to work fewer hours (and can afford to earn less money)'. This is represented in Figure 3 overleaf.

Figure 3 - Current work situation of those who were working, represented by age and gender



Generally, as could be expected, respondents who worked 35-44 hours per week or 45+ hours more commonly indicated they wanted to work fewer hours. Of the working people who wanted to earn more money, they were largely working full-time already (35+ hours). People working under five hours mainly indicated they wanted to work more hours, although a few said they were happy with the amount of working hours and money.



Figure 4 - People's attitudes to their current situations, compared to their current hours worked



People who worked 15-24 hours were generally happier with their current situation. Many people who worked more, wanted to work less but said they could not afford the reduction in pay that comes with reduced hours.

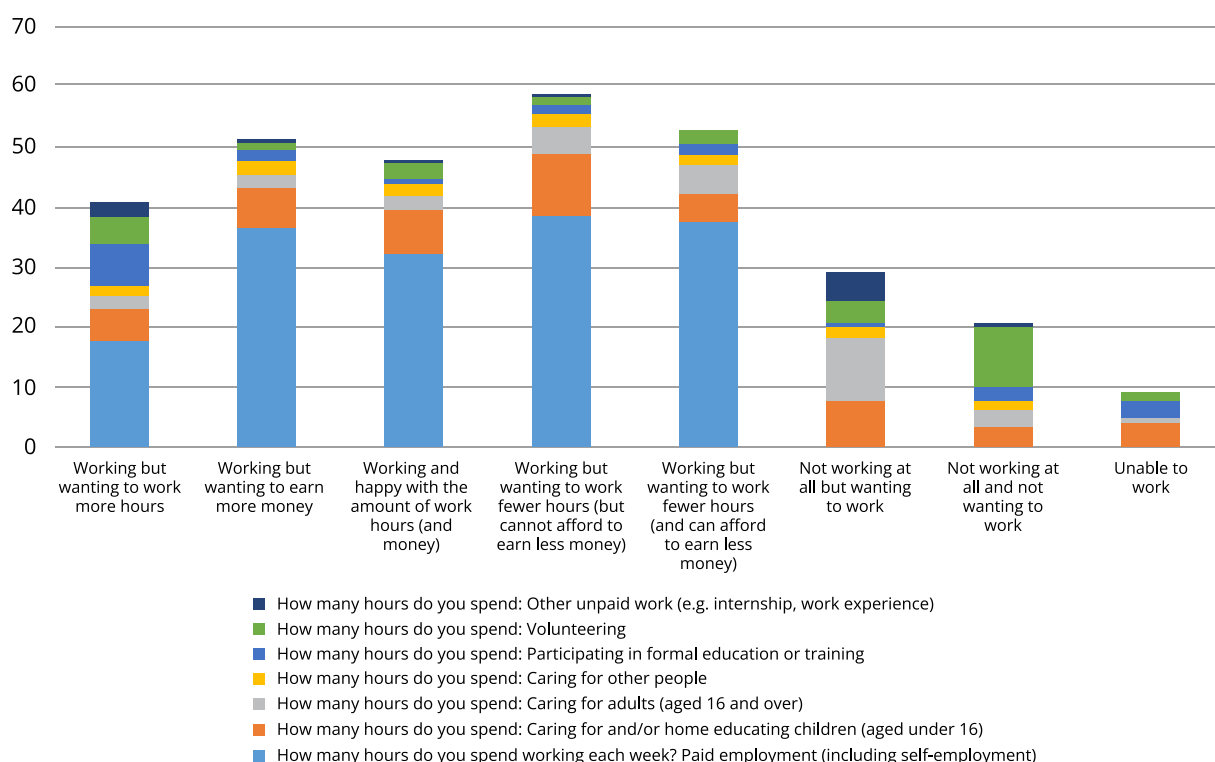
## Wanting to work less

When respondents were asked what reasons they had for wanting to work fewer hours, wanting less stress and responsibility came up 105 times and wanting a better work-life balance came up 200 times. When asked if they had a physical or mental health issue and/or disability which was the reason for wanting to work fewer hours, 81% said no.

91 of 198 people who said they wanted to work less but could not afford to say their caring responsibilities as a parent/guardian of a child (aged under 16) were a reason for wanting to work fewer hours. 39 of this group said they had caring responsibilities for an adult/adults which were reasons for wanting to work fewer hours. Nine people said they had caring responsibilities for a child/children of whom they were not the parent/guardian which was the reason for them wanting to work less.

Of the 43 people who said they wanted to work less and could afford to, 13 said caring responsibilities for a child were the reason why they wanted to work less, nine of which were the parent/guardian of that child. Nine also said they wanted to work less due to caring responsibilities for adults.

Figure 5 - How people spend time outside of work, separated by how they defined their current work situation



All respondents were asked how they spent time outside of work. Across the categories people had caring responsibilities, and those responsibilities did not appear to reduce the more someone worked.

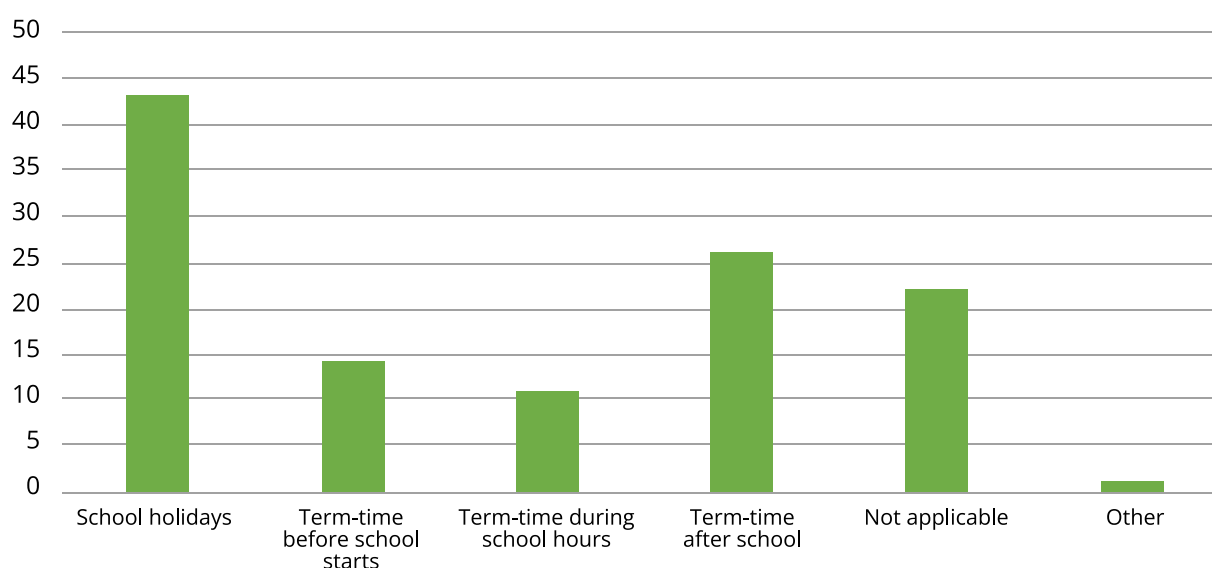
For people who were not working but wanting to work, caring for children, caring for adults and caring for other people took up the majority of their time. The people not working and not wanting to contributed the most volunteering hours to the community.

## Access to childcare

People who said they wanted to work or earn more were asked if access to childcare prevented them from working their desired hours. They were asked what times this was a significant issue. Figure 6 shows that school holidays and after school were the most prominent responses. Respondents could tick multiple answers.



Figure 6 - Responses to which times access to childcare was an issue



A third of respondents worked 35+ hours per week, a quarter worked 25-34 hours, 28% worked 15-25 hours and 12% worked 14 hours or less. For those working 15 hours or less, school holidays were a sticking point, with a few mentions of after school childcare being difficult to manage.

People who wanted to work or earn more were asked how strongly they agreed or disagreed with the following statement: Other childcare options are not financially viable or affordable. The majority of responses were 'strongly agree', with only a few 'agree'. The rest of the responses said the question was not applicable to their situation.

In response to the following statement "I would like to work or earn more but it is more important that I spend time with my children", 47% strongly agreed, 30% agreed, and 4% disagreed.

When asked if they agreed with the statement "I would like to work or earn more but the additional childcare costs would make me worse off", 44% strongly agreed, 29% agreed and 8% disagreed.

## Barriers

For people unable to work, caring responsibilities for both adults and children were cited as their predominant barriers to work.

Flexibility was mentioned hundreds of times, particularly by those who said they would work more but needed the flexibility for health or childcare reasons or personal circumstances. They also mentioned that additional hours were not available in their current job.

For people who wanted to work less, they also cited needing flexibility as a reason for this.



Of the 16 people unable to work, six had children under 16 in the household four or more nights a week. Of the 20 working but wanting to work more hours, nine cited a lack of flexible work as a barrier. 8 said additional hours were not available in their current job.

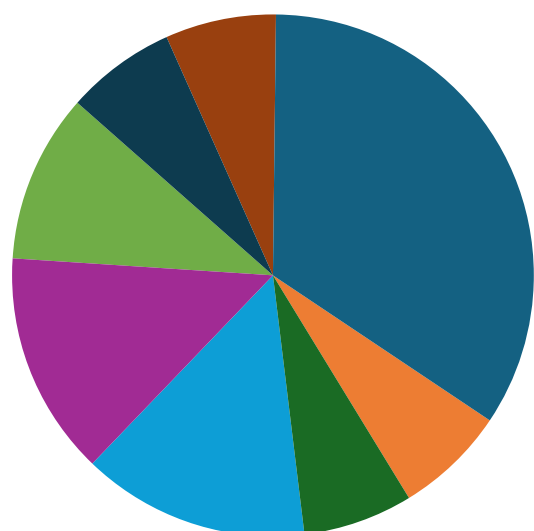
A third of people who were not working but wanted to said the lack of positions offering flexible working was a barrier, as well as difficulty travelling to or from the workplace and employers not providing the work adjustments and support necessary, as shown in Figure 7.

### Limitations of the survey

Through the initial analysis of the survey results, it was recognised that some additional or specific questions could have been asked of respondents to make clearer the links between hours worked and barriers obstructing from people more. This feedback helped develop and shape the discussions for the focus groups held in November.

While there was a good number of responses to the survey, it is fair to say the groups of people who were unable to work, not working but wanting to work and wanting to work more were small. The feedback from these groups was particularly important to this survey as the aim of this piece of work is to understand barriers and identify areas in which the States of Guernsey may look into policies that can alleviate some of the pressures and lift some of the barriers. This could be that there was little interest in completing the survey by these groups, or that there is a pre-conceived notion that more people in the community are struggling to find work than the reality.

Figure 7 - Barriers for people not working at all but wanting to work



- Lack of positions offering flexible working
- Difficulty travelling to or from the workplace
- Challenges accessing healthcare / long wait lists for treatment
- Employer not providing the work adjustments and support necessary
- Difficulty accessing training / equivalent support
- Working around children's school times/holidays
- No support for carers
- Age discrimination

## A

## Appendix 2: Participation in Work Focus Groups

A total of 85 survey respondents provided contact details and said they would like to be part of a focus group to discuss further the barriers and obstacles to employment. At the officer working group meeting on 18th October 2024, it was agreed to hold five focus groups. These were to target different groups with common themes, including:

- Specialists (people who work with islanders actively seeking employment)
- Parents/carers
- Age 55+
- People wanting to work more or enter the workforce
- People wanting to work to work less and could afford to, and those not working but not wanting to

The respondents in each group were contacted with invites to a focus group session. Parents/carers were given an option of two times to attend in an effort to accommodate their schedules.

Responses to the email invites were low.

Two people attended the first session on 5th November. One person attended the evening session for parents/carers on 26th November, and four people attended over two sessions on

28th November. There were no responses of attendance received from anyone in the cohort of people who were working but could afford to work less, or were happy not working.

The invites specified that if the person was unable to make the session, there was an option to still provide feedback and a document with topic prompts was provided to several people. At the time of writing, one written feedback form has been returned.

Despite the focus group sessions attracting low numbers, the discussions explored the topics in detail and were very useful.

The sessions were structured around:

- Introductions and background to Participation in Work.
- 'We want to hear from you' – discussion about barriers, circumstances, motivations.
- 'Solutions' – whether government should play a role, what the priorities are.

## Key themes raised in focus groups



### Ageism

A few participants raised that they felt their age was a barrier to finding employment and felt employers looked for younger members of staff, despite the experience they may bring.

Negative experiences with an employer at a young age can impact confidence in later life.

There is no graduate-scheme equivalent for older people or people who graduated a long time ago.

Despite being highly qualified there is a feeling that industry does not want older recruits.

People are living longer and have to work longer but may need to see a doctor more frequently and employers can have an issue or nervousness about that.



### Training

Most sessions touched on training of some kind - including the effectiveness of being trained on the job and that more training should be available for interview preparation and CV writing.

For people who had spent a while out of the workforce, training programmes to ease them back into employment or to upskill them with things like technology were suggested.

Training for interviewers as well as interviewees, such as what questions are appropriate to ask and are not trying to 'catch you out'.

The Ron Short Centre runs training courses and works with CfHSC and CfESC to get back into employment. It has been positively received.

People with autism often have useful skills but finding a suitable workplace environment is difficult. Employers can still be resistant and have a focused view of what they want and will not look 5-10% either side of that requirement.



### Availability

It was raised that there are so many people looking for jobs that employers look for any single reason to whittle down the candidate list.

The specialists group felt there was a disconnect between the available jobs in Guernsey and the roles local people would like to do. This could be coupled with a lack of understanding of career opportunities in sectors like retail and hospitality.



## Someone's past

One participant felt previous lobbying behaviour and long-term sick leave was a reason employers were consistently turning them down.

A criminal history can be a barrier, even if the conviction is spent. Some vigilante sites are destroying opportunities for people. People with autism sometimes do not realise they are on the fringe of criminal

activity and suffer long-term for mistakes they made in their past.

Employers have been known to ask for an enhanced DBS check when it was not a requirement for the role.

People need to be made aware of how people with criminal records can change, and employers should be more understanding.

Having regulatory action taken against someone will make it difficult for them to secure an interview at some companies as well.



## Discrimination

Anti-discrimination legislation was called a 'tick-box' exercise, with the feeling employers will still be able to discriminate but in a less obvious way.

Some companies know how to 'work the system', appearing flexible but doing what they could to avoid providing some of those opportunities.

Interview process can appear diverse and open but ultimately end up with the candidate that was always intended.

Companies may not hire disabled/ neurodiverse candidates due to not being able to provide the necessary support, without understanding that the candidate may not actually need on-the-job support.



## Flexibility

Post-Covid, people still want to work full time but with flexibility in making up hours in the evening if they have to do the school run etc. Where firms are not on board with this, it's a barrier to recruiting.

For people with disabilities, onboarding is difficult when half the staff are not at their desks to offer help in getting set up/ answering initial questions.

Some employers are becoming more flexible with maternity provision but not all companies are in a position to offer time off and a return on reduced hours.

Job-share roles are rare, and part-time work is hard to find as there are lots of applicants when those opportunities come up. Companies should 'think outside the box' when there is a finite number of people in the recruitment pool.

Flexible employers will get the best people.



## Transport

Big issue for clients of one organisation, particularly with recent road closures. People are mentally spent by the time they have arrived at work, particularly if they have a physical disability or a condition such as autism.



## Benefits

Fear of losing benefits puts some people off employment / increasing their hours. People need to understand how their benefits would be impacted holistically if they went into work.



## Financial

There was a sense that people were more stressed generally, despite a push for wellbeing. People have so much going on outside of work; unwell family members, personal illness, stress of a mortgage, cost of living, wages not aligning with increased mortgage payments etc. If a workplace is going to create more pressure for someone, often people are already at full capacity and the resilience is not there.

Sometimes people work in jobs they despise to afford a lovely house, family and home life. Because the large salary is in line with their current expenditure, they could not afford to go into a different job and retrain, but it is not in-keeping with wellbeing and also blocks opportunities for some people.

Childcare is expensive – particularly for children with additional needs.

Companies could not always afford or have space for a support worker for an employee.



## Confidence

Juniors and graduate students do not appear to have developed the confidence and communication skills to be able to interview well.

AI can be a good support tool but is also taking away some entry-level, repetitive roles which would suit people with learning difficulties or autism. Some people may also not be confident in the workplace with new, emerging technology.

Confidence can drop when out of the workplace for a while, and returning to the workplace can be a challenge.







## Childcare for children with additional needs

Navigating the system for children with additional needs is challenging – in particular when supporting a child with complex needs. It can impact ability to work as it requires flexibility.

Having community development officers or a similar model could help develop communities in other areas and help parents feel less overwhelmed.

Concerns were raised about chronic disease and the impact this is having on people leaving the workforce – linked with stress and burnout.

The healthcare system is illness-based.

Le Rondin is an expensive asset that is not used in the holidays and could provide a base for childcare opportunities run by others (not the Committee for Education Sport & Culture or the States of Guernsey).

Need to ensure childcare is not a failed market – need to ensure it can be there. It should be tax neutral to build the service.



## States of Guernsey

Essential key criteria can be disproportionately complicated compared to the job role.

Some departments are better than others at honouring a call/tour about the role before applying.

The time between application and starting can be months due to long, drawn-out processes. Some candidates pull out as they cannot afford to wait that long.

## Proposed solutions:

### Not working but wanting to:

- Kick-start programmes
- Government should lead by example as a top employer
- Organise a forum for potential employers
- Investigate putting nurseries in offices to enable parents to return to work without having to worry about expensive/ inaccessible healthcare
- Employers should go into schools to inspire people about the various workplaces in Guernsey

### Specialists:

- Responsibility sits with employers
- Someone doing better-off calculations for people receiving States benefits, preferably either entirely independently as a third-party organisation or, if a States of Guernsey employee, in a building not owned, run, or used by the States of Guernsey
- Paying for taxis for some people
- More bus routes and times
- Most support and utilisation of the kick-start programme
- Awareness raising piece on convictions, including spent convictions

States of Guernsey review its job

- application process as the island's biggest employer
- Review of childcare provision the States provides – more affordable for people with low incomes / benefits
- Training, skills, confidence-building in young people
- Look at whether the Access to Work scheme is being utilised and is offering people the necessary support
- States of Guernsey advertise the recruitment grant / back to work bonus (good incentive for smaller businesses)
- Opportunities in retail and hospitality as a career showcased (current disconnect between jobs available in Guernsey and what local people want to do)
- Increase parking for people who work in town
- Companies that support people getting back into work could get a financial incentive – linked to tax take (i.e. the employee hits a target contribution level and the company gets some financial reward). Fund alongside the Social Investment Fund
- Flexible working – particularly for parents of children with additional needs
- Open Le Rondin during school holidays to use the asset for specialist childcare
- Need to understand why people are retiring and utilise skills-based hiring

## General:

- Make Government HR department the gold standard
- Training courses for people to build confidence in getting back to the workplace / write CVs / upskilling courses
- Encourage companies to look for a cultural fit as job skills can be taught on the job
- Improve public mental health
- Government needs a better website
  - the days of the job centre being relevant are past
- Staff centre instead of job centre (individuals list their CV/skills on a database and companies looking to recruit can look through them)
- More employer groups like the retail group, Institute of Directors
- Kick start-like programme not just for people on benefits (there is a level of invisibility for people with skills who need a job but don't claim so aren't being seen)
- Increase expectations of what companies will consider in terms of adjustments and what they will or will not accept in terms of adaptability
- Make companies aware of anti-discrimination legislation









# States of Guernsey

## End of Term Reports, March 2025



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As the political term draws to a close, the Committees of the States have prepared End of Term Reports which reflect their workstreams' status as at March 2025. These reports below are intended to:

- summarise the scope of each Committee's mandate
- outline each Committee's recent progress on key projects; and
- highlight ongoing or new workstreams that are expected to be prominent in the next term

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## End of Term Reports

- 1** - Policy & Resources Committee
- 2** - Committee *for* Economic Development
- 3** - Committee *for* Education, Sport & Culture
- 4** - Committee *for* Employment & Social Security
- 5** - Committee *for the* Environment & Infrastructure
- 6** - Committee *for* Health & Social Care
- 7** - Committee *for* Home Affairs
- 8** - Development & Planning Authority
- 9** - States' Assembly & Constitution Committee
- 10** - States' Trading Supervisory Board



# The Policy & Resources Committee

End of Term Report, March 2025





## Committee Mandate

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The overarching, States-wide remit of the Policy & Resources Committee sets it apart from the Principal Committees. Responsible to the States in the leadership and coordination of their work, the Committee's broad mandate necessitates applying a 'big-picture' view to help ensure that the Bailiwick's essential strategic policy, legislative, jurisdictional and financial needs are met. The Committee is also responsible for the enabling services and employee relations that enable the public sector to function effectively.

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## Facilitating and leading strategic policy and legislation

The Committee is responsible for developing and promoting the States' overall policy objectives, leading policy planning including prioritisation of legislation for drafting, and facilitating cross-Committee policy development and governance over the reporting for the whole of the States. Within this role, it leads the Government Work Plan and facilitates, monitors and reports on the Plan's progress. The Committee's wide remit means that its work engages all three of the Plan's strategic portfolios, alongside its responsibility for the enabling Major Projects Portfolio.

## Fiscal policy responsibility and Treasury function

While States Committees shape their own budget areas within approved cash limits recommended by the Policy & Resources Committee, the Committee is responsible for fiscal policy and economic affairs overall. This includes setting the framework for public expenditure; raising and collecting taxes and revenues; preparing the States' annual budget and accounts; and Treasury functions such as investments. It is also responsible for the policy framework for financial services regulation.

## Constitutional, jurisdictional and international matters

A key role of the Committee is to maintain Guernsey's constitutional relationships and enhance its status on the world stage to support its economy and access to travel and services. While some aspects of this role are high-profile, most of this crucial work is undertaken behind the scenes. This includes forging and maintaining alliances, facilitating proportionate alignment with international legislation, negotiating trade agreements, and fostering participation in international conventions. The Committee leads on steering the Bailiwick through major geopolitical challenges, for example Brexit, which continues to necessitate a broad range of adaptations to local operations and legislation to align with the new UK/EU landscape.

The Committee is also responsible for Guernsey's Bailiwick relations with Alderney and Sark. It meets regularly with Alderney and Sark through the Bailiwick Council, Alderney Liaison Group and Sark Liaison Group.

## Enabling services

Another role within the purview of the Policy & Resources Committee is oversight of the 'running the business' of the public sector. It is charged with overseeing the same types of corporate architecture and systems that are needed in a business. This includes digital and information technology, HR, finance, safeguarding, property management, research and data analysis, risk management, business continuity and contingency planning, commissioning, procurement and communications.



## Other responsibilities

The Committee is also responsible for examining issues which do not fall expressly within the mandates of other Committees, including oversight of the Overseas Aid & Development Commission.

# Recent accomplishments and ongoing work

## Facilitating and leading strategic policy and legislation

It was clear at the start of the political term that this Assembly faced a large volume of extant States Resolutions. These decisions, accumulated over several terms of States' debates, directed strategic policy and legislative measures but were as yet unfinished and without enough financial or staff resources to complete them all this term.

Although Guernsey is a small jurisdiction, it faces many of the same pressures as larger nations. It is not possible for the States to provide every service that a larger jurisdiction might provide. Part of the Committee's role this term has been to establish which strategic policy and legislative measures are most critical and facilitate their completion.

This new approach to the Assembly's planning for its work each term is the Government Work Plan. Together with its updates, the Plan has brought focus to the most pressing strategic priorities and identified the priority Resolutions to discharge. Working towards the vision established through [Revive and Thrive: our recovery strategy for GuernseyTogether](#), the Plan has also sought to marshal resources to manage the States' daily demands within this term's challenging post-pandemic and post-Brexit context in an increasingly unsettled world.

The Policy & Resources Committee has established regular, ongoing and collegial dialogue across all States Committees to foster cross-Committee cooperation and reduce 'silo' working. This approach aligns with the Plan's structure and facilitates greater efficiency, thus enabling better progress on critical work which is demonstrated by several older extant Resolutions and prioritised work being resourced and completed this term. Annual reporting on [Resolutions](#) and [legislative prioritisation](#) is a mandate responsibility for the Committee and is now well-established. The Committee has been agile and responsive in allocating funding and resources where and when they provide the most value to the community, guided by the Plan determined by the Assembly.

## Housing:

Increasing the supply and affordability of housing is the top domestic priority for the States and the Committee has taken several steps to lead in this work as custodian of States property.

The Committee has:

- successfully brought forward proposals from the Guernsey Development Agency to drive regeneration of the Bridge;
- made capital grants to assist the Guernsey Housing Association (GHA) in Affordable Housing development. An estimate of £40m was included in the Funding & Investment Plan which has, in principle, been fully allocated to GHA projects;
- driven an initiative for a contractors' village to house workers in the building trades, as was successful during the airport's expansion. Procurement is already underway. This will help deliver construction across the States' property portfolio faster while reducing costs;
- introduced tax relief measures to boost the supply of rental accommodation;
- purchased sites and moved into joint venture development to improve viability of key sites and unlock private development; and
- assessed and made representations on how best to deliver new communities and homes, and improve employment land spaces, through the States' portfolio of land in the north of the Island via the Island Development Plan focused review which have been broadly adopted by the Development & Planning Authority in its revised proposals.

While increasing the number of homes and fostering affordability will remain the priority for the next Assembly, this recent work lays the foundations for accelerated housing delivery in the next term, coordinated with the work across other Committees of the States and captured in the Guernsey Housing Plan.

**With housing supply and affordability as an ongoing priority, the new Committee will need to ensure that States-owned land and property assets are put to best use. It will be very important that the next Assembly establishes a pipeline of funded projects in order that the construction sector can scale up capacity to meet a steady building programme.**

## Infrastructure and regeneration:

Preserving and enhancing the Island's national infrastructure is crucial to protecting islanders, supporting housing delivery into the future and sustaining our economy.

Mitigating flood risks is a key enabler for the regeneration of the Bridge and wider St Sampson area and has featured in the States' pipeline infrastructure programme for several political terms. The States' Funding & Investment Plan led by the Committee includes £35 million for investment in the Bridge Regeneration Project which commences with enabling flood defences at St Sampson's harbour.

The Committee has accelerated funding to start developing plans for the defence of the east coast from flooding, refreshing and developing proposals based on the work of flood studies considered by the States in 2013. **Phasing the build programme for this infrastructure work will present a significant multi-term major project investment for future Assemblies to consider, with the potential to present considerable opportunity when coordinated with strategic land use planning and the Future Harbours project that the successor Committee is under direction to bring back to the States.**

## The Supported Living and Ageing Well Strategy (SLAWS):

SLAWS is a complex, multi-term workstream facilitated by the Policy & Resources Committee working with the Committee *for* Health & Social Care and the Committee *for* Employment & Social Security. Its focus, this term and next, is working toward an improved, future model for the delivery and funding of community long-term care that will meet islanders' increasing needs in a way that ensures people receive the right care in a way that is affordable, sustainable and fair.

In November 2024, the Committee issued its [Findings Report: Working toward a new model for community long-term care](#) designed to inform islanders on the challenges and considerations ahead. It details progress on 17 interdependent projects. These include engaging with care providers to better understand the challenges they face, improving care needs assessments and hospital discharge processes, enacting consumer protection legislation, and instituting a care careers training programme focused on encouraging islanders into the care sector. The work carried out this term has included research on best practice, demographic trends, care needs, care capacity and costs; actuarial and financial modelling and cost-benefit analyses; future demand projections; and focus group feedback. It places the future States in a much better position to determine potential solutions alongside considering the financing of public services and taxation.

While measures relating to care benefits, their uprating and a user care cost contribution, proposed by the Committee *for* Employment & Social Security, have been agreed by the Assembly to support the private care home sector in the short term, demand for care will soon outstrip supply. **Agreeing a new model for community long-term care will be among the most urgent domestic tasks for the next Assembly and must be considered within the broader context of States finances and alongside the intended changes to make our health and care services sustainable, in line with the agreed strategic direction as outlined in the Partnership of Purpose.**

### **Participation in work:**

The Committee will publish a findings report exploring participation in the workforce and maximising productivity, a project which has been directed by the Assembly as part of its considerations on population management and taxation policies during this term. Several Committee mandates are engaged and each has considered the findings from phase 1 of this work; the Committee *for* Economic Development, the Committee *for* Education, Sport & Culture and the Committee *for* Employment & Social Security.

The work carried out has included a community survey and focus groups with islanders to help understand barriers to working. The finding that the largest cohort of non-employed people is those approaching state pension age who have the financial means to exit the workforce early, meaning they are unlikely to be incentivised to return to work, is not unexpected. What has been identified is the positive impact of the Committee *for* Employment & Social Security's work through its Supporting Occupational Health and Wellbeing (SOHWELL) programme, which was prioritised by the Assembly in the Government Work Plan. Since SOHWELL started, new long-term incapacity benefit claims have shown a downward trend and more people have accessed work rehabilitation initiatives.

The second phase, when additional robust data on working hours becomes available, will perhaps provide the deeper understanding necessary to consider policy options. Research, led by the Committee *for* Economic Development, will equally be available by the end of this term on the sustainability of the early childhood education and care sector. It may be that helpful measures in supporting families and reducing the financial difficulties faced by some households with children is determined as the preferred policy approach as Guernsey continues to enjoy low unemployment.

**Unlocking islanders' opportunities and increasing participation could grow our economy and improve States revenues from taxation and remains an important area of work led and coordinated by the Policy & Resources Committee.**

**However, it will be important that the next States carefully consider unintended impacts.**

## Offshore renewable energy opportunity for Guernsey:

The Policy & Resources Committee established a sub-committee to explore the viability and opportunity for raising revenue from the seabed through the development of offshore wind in Guernsey's territorial seas. It has been agreed to publish the current calculation of net present value<sup>1</sup> and the assumptions made which might impact on it in the future to ensure the States are appropriately informed as they are asked to endorse next steps, and to guide potential partners on the scale of the opportunity, subject to the assumptions that have been made.

The current preferred baseline option of export to the UK contributes directly to the policy objective of maximising direct revenue from the seabed/project over the full lease term. As a very rough indicator subject to significant assumptions, this model could lead to an increase in annual revenue with commissioning in 2036 as a base assumption. There is nevertheless a significant range for the potential project value and revenues due to the sensitivity of the assumptions, particularly price and investor expectations.

The Island's fiscal challenges remain significant, and the generation of revenue is critical to enable the funding of public services as well as investment in infrastructure, including energy infrastructure. Given that the States have also agreed a long-term [energy policy](#) in 2020 and an [electricity strategy](#) in 2023, it is clear to the Committee that some of the revenue generated from offshore wind should also be used to support the objectives in the energy policy and the electricity strategy. Reducing emissions, stabilising pricing and critically, to ensure energy resilience with investment in the domestic grid, will be the best way to ensure that the community and the economy benefit directly from the future development of offshore wind in Guernsey's waters.

The next steps will see the successor Committee bring forward a policy letter by December 2026 which sets out the commercial leasing agreement, terms relating to that agreement and the preferred bidder. Meanwhile, the Committee intends to establish an arm's-length entity with appropriate political governance to take forward the work of the offshore wind project from the beginning of the new States' term.

**This work must be sustained into the next term and prioritised in the Government Work Plan 2026-2029. It will be coordinated with the enabling workstreams that will see the States asked to support the creation of a Renewable Energy Commission, essential to developers and investors as it will set out how the licensing and consents regime will work for a Guernsey wind farm project, alongside the developing Marine Spatial Plan, implementation and enforcement of which will likely require legislation with the associated lead time to enactment.**

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<sup>1</sup> - **Net present value** (NPV) is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. NPV is used in capital budgeting and investment planning to analyse a project's projected profitability.



## Modernising legislation - Birth Registrations:

Society is changing and the Policy & Resources Committee has consistently sought to ensure that legislation that supports islanders' live their lives as they wish is modernised to reflect these changes and maintain equity. Having updated the Marriage Law and this term guided the updated Matrimonial Law to come into force, it is now moving to the complex matter of birth registration where the rights of the child centred on the registration of their birth are at the forefront of policy and legislation changes. The agreed policy changes will result in updates to a myriad of legislation including but not limited to the Children Law, Adoption Law, Children and Young Persons Law, Assisted Reproduction Ordinance, Property Law and Social Insurance Law.

Working together with the Committee *for* Employment & Social Security and the Committee *for* Health & Social Care, this will provide for more equal treatment of diverse family types in registering their children's births. The intended outcome is to not infringe on the rights of the child or others while providing same-sex couples, unmarried couples and single parents with more equal opportunity to register the birth of a child, be recognised as their child's legal parent in as similar manner as possible to opposite-sex married couples, and to make the process as low-cost and straightforward as possible.

The Committee is currently working through its programme of wider consultation that includes the jurisdictions of Alderney and Sark, the Family Bar and Judiciary, and stakeholder groups.

**The ongoing modernisation of legislation will remain important in the new term – as society evolves, so must its legislation. The incoming Committee will need to create a forward-looking and achievable programme that will address out-of-date areas and create new legislation where required.**



## Fiscal policy and sustainable financing of the public sector:

Geopolitical factors including COVID, inflation, war and shifting demographics have adversely affected many jurisdictions and Guernsey is not alone in facing resultant public sector financial challenges.

Statistics show that there are real pressures on islanders, and the States' own financial position remains very challenging. The forecast for 2024 is a general revenue deficit of £20m. The 2025 Budget agreed by the States in November 2024 is for a general revenue deficit of £1m in 2025. Currently, the States' reserves are being used to fund necessary capital investment and cover the deficit, so reserves are decreasing.

The Committee has published an update on the [Major Projects Portfolio](#) which has been impacted and delayed by the current funding position. If the States intends to deliver these essential projects, the current portfolio period will need to be extended by at least a year to resolve the significant funding gap that exists. This will reduce the funding available to the next States and the new Assembly will need to consider how to prioritise what may be in excess of £1 billion worth of investment demand within a funding window of about £150 million.

It is a fact that the States spend less per capita on delivering public services than most other jurisdictions. But we must have confidence that the right services are being delivered and that they represent value for money, therefore the Committee has also set out the need for a Fundamental Services Review.

Compared to other jurisdictions including the UK, France, Jersey and the Isle of Man, Guernsey's tax base is low — someone on median earnings pays just £8,000 a year in taxes and contributions. Simply put, government revenue is not sufficient to pay for what many islanders expect their government to do. The Committee is taking the steps necessary to progress the practical implementation of a Goods and Service Tax (GST) and the other changes to the tax and contributions systems recently agreed by the States, with steps underway to commence GST in mid-2027. These decisions will place a significant demand on resources, especially in the Revenue Service, the Guernsey Border Agency and the legislative drafting lawyers at St James' Chambers.

The confirmed implementation date will need to be carefully judged as this work progresses. The States will have to balance:

1. the need for changes to personal taxation and contributions to occur at the start of a chargeable year; with
2. adequate time to support businesses and service providers to update and test their systems; and
3. managing the impact of any gap (and therefore loss of revenues) between the two dates.

The current focus is on establishing the operational changes in the Revenue Service and the Guernsey Border Agency, and the scope of new legislation and changes to Income Tax and Social Security legislation. The incoming Assembly will need to consider early in the next term whether food should be exempt from GST. Any exemptions build further complexities into the legislation and difficulties in administration and will result in a higher level of GST on remaining goods and services. It is for this reason that the Government of Jersey did not apply significant exemptions.

### **International standards:**

As a mature, responsible and well-regulated international finance centre, Guernsey maintains an advanced role in the shared global objective of combatting financial crime. Guernsey is held to the same standards as any other jurisdiction and is judged with the same rigour as jurisdictions many, many times our size.

The Bailiwick of Guernsey has this year achieved a highly successful outcome from its MONEYVAL evaluation into how it combats financial crime, comparing positively to most other jurisdictions. Securing such a positive outcome was a major priority for the States of Guernsey this political term, such is its importance to the continued prosperity of the Island's financial services sector. This positions the Bailiwick as one of the best, secure and safe jurisdictions in the world for financial services.

Guernsey has high standards of accurate, up-to-date and verified information for its central register of beneficial ownership and outlined a common approach with the other Crown Dependencies in 2023<sup>2</sup>. Alongside ongoing dialogue with the UK, the Committee will bring a policy letter to the States this term to facilitate access for obliged entities (regulated entities for due diligence purposes) from 2025 onwards, and work in this area will continue next term.

**The States have agreed to adopt the International Public Sector Accounting Standards (IPSAS), a global accounting framework aligned to International Financial Reporting Standards. The adoption of IPSAS has been introduced during this political term in a phased manner to embed the necessary systems and processes but the 2024 year end accounts mark the end of that transition and will be fully compliant with IPSAS.**

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<sup>2</sup> - [Crown Dependencies publish commitment to increase accessibility to company beneficial ownership information - States of Guernsey](#)

## Revenue Service:

With the implementation of the OECD Pillar 2 model rules to establish a global minimum tax regime for multinational groups with consolidated annual revenue of €750m or more, the Revenue Service has led discussions with businesses on how best to prepare the necessary adaptations to systems and legislation. The Revenue Service has also supported discussions with the financial services sector on how best to ensure a competitive business environment. Engagement continues with the OECD and the EU, in particular on issues such as economic substance requirements and monitoring moves the US and other major economies make in this new geopolitical environment. The Revenue Service continues to be subject to OECD peer reviews on the implementation and ongoing administration of each international tax agreement that Guernsey has signed up to.

Operationally, several measures have been taken to address the Revenue Service's tax processing arrears which were exacerbated by COVID and the switchover to new systems. Digital uptake continues to grow with 78% of 2023 personal tax returns filed online and over 27,000 personal customers signed up to digital preferences for communications.

The Revenue Service has also been responsible for the implementation of secondary pensions in 2024 (including development of returns, systems, etc.), and is responsible for the ongoing monitoring of employer compliance with the law.

## Constitutional, jurisdictional, and international matters

### The Crown:

Guernsey is a dependency of the British Crown and, whilst not an independent state, is autonomous in its domestic affairs. The UK Government on behalf of the Crown is responsible for Guernsey's formal international representation and its defence, while the Privy Council is ultimately responsible for the 'good government' of the Island.

In July 2024, Guernsey welcomed King Charles III and Queen Camilla, marking the centuries-old relationship between the Bailiwick and the Crown which is essential to our constitution and domestic autonomy.

Recent changes made to the Royal Assent process now enable His Excellency the Lieutenant-Governor to approve much of the Bailiwick's primary legislation, thereby enabling local legislation to be progressed faster. The first piece of legislation given Royal Assent using this process was registered in the Royal Court in September 2024 and enacted in November 2024<sup>3</sup>.

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<sup>3</sup> - Publication of Official Notices (Guernsey) Law, 2024



## Bailiwick matters:

It is vital to continue productive discussions on areas of shared interest with Alderney and Sark. Given the Committee's responsibility for managing the 1948 Agreement, it has been involved in ongoing discussions about the rehabilitation of the airport runway. Given that the costs have increased from £24 million to £38 million, its forthcoming policy letter will look at various options for how the work can be delivered within the original budget. We will need to find a solution that is fair to all. There is close working with Sark on the strategic and infrastructure challenges that it faces. The Committee liaise regularly with Alderney and Sark through the Bailiwick Council, Alderney Liaison Group and Sark Liaison Group.

**The Committee is also working on proposals for the establishment next term of a constitutional commission, as a way to modernise relationships within the Bailiwick and to reflect the context nearly 80 years since the Island stepped in to support Alderney's recovery post-Occupation.**

## UK Government:

Following the General Election in the UK in July 2024, there were significant changes in Westminster. The political party in power has changed and there are many new MPs, 335 of whom are first-time MPs. Engagement with UK parliamentarians on an individual and party basis is an ongoing and important part of the Committee's responsibilities, especially when there are changes in UK leadership.

The President of the Committee, together with the Chief Ministers of Jersey and the Isle of Man, met with the UK Prime Minister in December 2024 to discuss the Crown Dependencies' economic value to the UK, trade relationships and energy. This was preceded by a three-day visit to the Bailiwick by Lord Ponsonby, the Ministry of Justice Minister with responsibility for the UK Government's relationship with the Crown Dependencies. Committee representatives have also attended Party Conferences for the Labour, Conservative and Liberal Democrat parties in October 2024.

Guernsey is also a member of the British Irish Council (BIC) and is represented in the British Irish-Parliamentary Association. Guernsey will next host a BIC leaders' summit in 2026.

The changes brought about by Brexit have made it necessary for Guernsey to restructure much of its domestic operations and legislation to correspond with the new landscape and to negotiate new trade agreements. Aligning with Brexit's changes has been obligatory and pressing throughout the term, and has absorbed considerable resource and political capacity.

The Committee has worked with the Committee *for the* Environment & Infrastructure on how best to construct and operationalise the Bailiwick's Sanitary and Phytosanitary (SPS) Border Target Operating Model. Generated by Brexit, this work involves import and export rules and standards relating to biosecurity, environmental health, animal



health and welfare, plant health and food hygiene. The UK is seeking a new SPS agreement with the EU which may impact this workstream. The new freight routes which will be provided under the new ferry contract (for a 15-year period from April 2025) will also need to be considered so that the Bailiwick's borders are managed to ensure resilience. A policy letter with corresponding proposals has been lodged for the current Assembly to consider.

### **Global affairs:**

The States of Guernsey maintains two overseas offices in conjunction with Jersey. The Channel Islands Brussels Office represents the Channel Islands' interests in the EU, for example in regard to taxation policy.

The Bureau des Isles Anglo-Normandes (BIAN) is responsible for promoting our interests in France, especially in Normandy and Brittany. Committee Members represented the Island at BIAN summits and the 80th Anniversary Commemorations of D-Day in Normandy in 2024. The relationship was further evidenced when the Olympic torch was welcomed to Hauteville House in July as part of its journey to Paris ahead of the 2024 Games. Work is also progressing in regard to making agreements with France on our territorial waters, specifically in regard to delimiting the maritime boundaries to the east and southwest of the Bailiwick.

In 2024, the Committee hosted visits from the Ambassadors of France, Italy, the Netherlands, and the Philippines, as well as the Indian High Commissioner.

In October, the Committee represented Guernsey in Biberach, Germany, where annual commemorative ceremonies are held to remember the Guernsey residents who were deported there during the Occupation in WWII. A cooperation agreement to underpin this historical connection is underway for signature in our 80th year of liberation.

The CPTPP (the Comprehensive and Progressive Trans-Pacific Partnership) Free Trade Agreement came into effect for the UK and the Bailiwick on 15 December 2024. This will require the Bailiwick to continue its programme of legislative changes to meet compliance requirements with the Committee watching carefully to ensure this international pressure is addressed pragmatically and as far as possible does not interfere with progressing the domestic agenda.

The formal extension of the Paris Agreement on climate change in 2023 highlighted Guernsey's commitment to contributing to global efforts to combat climate change. Less visible but equally important has been the ongoing work throughout the term to ensure that the Bailiwick complies with a range of international Conventions and Agreements which extend to Guernsey or the whole Bailiwick, including the UN Convention on the Rights of the Child, the International Convention on the Elimination of All Forms of Racial Discrimination, the UN Convention on Anti-Corruption and the UN Convention on the Conservation of Migratory Species of Wild Animals.

**Brexit changes, new international negotiations and compliance requirements for our leading industry sectors will need to continue in the new political term and will continue to influence the domestic policy agenda in the Government Work Plan and absorb Civil Service capacity if we are to enjoy the access and trade relationships to better support our economy. It will be important to continue to find the proportionate and pragmatic responses to the demands this small jurisdiction will face as a consequence.**

## Enabling services

Significant progress has been made this term in improving the effectiveness and efficiencies of the States' enabling infrastructure and the systems that facilitate the public sector.

The States of Guernsey as a recruiter and employer face the same challenges that corporate entities do. The challenges are greater in certain areas where global shortages of key skills exist, for instance in health and care provision, teaching and policing.

To bolster the States' HR function in maximising recruitment and retention, the Committee oversaw a full review of the HR function which is now being implemented. A new People Strategy focusing on skills, personal development, performance review, leadership development and talent management to secure resilience and knowledge retention will be launched. Other HR developments this term include ensuring full compliance with secondary pensions legislation and compliance with the Discrimination Ordinance.

The Committee has instituted an extensive programme of improvement and investment in the States' digital and technical infrastructure, with a focus on cybersecurity and systems' resilience. We have implemented a new operating model that addresses the risks inherent in the legacy application estate, which were highlighted in 2023 when the States' IT systems faltered.

We will soon announce the implementation partner for MyGov, a one-stop, digital platform and toolkit for States interactions with islanders, such as customer records, payments and messaging. MyGov will allow people to take ownership of their personal data via a secure platform, facilitating an accurate, centralised customer record. In addition, the ageing [www.gov.gg](http://www.gov.gg) will be redeveloped to make it more user-friendly and navigable with a new dedicated parliamentary site exclusively for the administration of States Meetings.

The Committee has also committed to a commissioning unit for the States with dedicated resource. In some cases, services delivered by the public sector can be more efficiently delivered by the third or private sector, and this new but small unit will provide the conduit that providers of commissioned services have for some

time considered to be missing. Work will be ongoing in 2025 to determine how commissioning can be deployed most effectively for the strategic benefit of the States and the community given the stated objective of the States to maintain a 'small government and public sector'.

### Other responsibilities

The Review of the Governance Arrangements of the Arm's-Length Bodies of the States of Guernsey concluded at the end of the previous political term. It made recommendations in regard to the governance and structure of independent tribunals, commissions, panels and appeal mechanisms sponsored or administered by the States. The Committee has not yet been able to give time to determining its position on these recommendations or publish an implementation plan. Nevertheless some action is being taken in several areas on which work can build into the next term and the Committee will prepare a status report for the successor Committee to determine its next steps.

## Parliamentary business

The President of the Committee has complied with Rule 10(4) of the Rules of Procedure of the States of Deliberation and their Committees by making Statements setting out the Committee's recent activities and forthcoming work as required throughout the term.

The table below documents the Rule 11 and Rule 14 Questions, and requests under the Freedom of Information (FOI) Code, to which the Committee has replied this term.

	2021	2022	2023	2024
<b>Rule 11 questions</b>	6	7	3	6
<b>Rule 14 questions</b>	19	13	11	18
<b>Freedom of Information requests</b>	11	30	30	41



# The Committee *for* Economic Development

End of Term Report, March 2025



# Committee Mandate



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The Committee *for* Economic Development's mandate is to secure prosperity through the generation of wealth and the creation of the greatest number and widest range of employment opportunities possible by promoting and developing business, commerce and industry in all sectors of the economy.

It advises the States and develops and implements policies on matters relating to its purpose, including: the promotion and development of all sectors of business, including construction, creative industries, digital, financial services, horticulture, intellectual property, manufacturing, media, retail and tourism; the reputation of the Island as a centre for commerce and industry; securing the provision of, and promoting, air and sea links to and from the Bailiwick; inward investment at the corporate and individual level; the labour skills necessary to sustain economic prosperity; competition, innovation, diversification and regulation in the economy; broadcasting and the media; safeguarding living marine resources and the sustainable exploitation of those resources.

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# Operational service delivery

The previous Assembly agreed an Economic Development Strategy which set out how the Committee *for* Economic Development intended to deliver against its mandate. The strategy included workstreams to secure air and sea connectivity, to promote digital, skills and enterprise and to promote finance sector investment. These workstreams have subsequently been incorporated into the Government Work Plan as follows:

## Government Work Plan priorities 2023 – 2025

- (A) Electricity Resilience – licensing renewables policy and legislation
- (B) Skills for Work – Skills Development Agency and promote adult literacy
- (C) Free Trade Agreements and related international obligations
- (D) Finance Sector Investment
- (E) Secure Transport Connectivity & Infrastructure
- (F) Accelerate the Digital Economy
- (G) Foster Enterprise and pilot a Guernsey Enterprise Investment Scheme

## Progress against GWP priorities

- (A) The **Electricity Strategy** sets out a plan in which Guernsey will meet future electricity demands and support the use of local renewable energy. Operationalising the Electricity Strategy requires the coordination of a number of workstreams among multiple committees. Political oversight is provided by the Electricity Strategy Steering Group where the Committee *for* Economic Development is represented by Deputy Moakes. Work has commenced to develop a licensing framework for renewables, but this work will need to be continued in the next political term.
- (B) Skills for Work – A **Human Capital Development Plan** has been developed and agreed jointly by the Committee *for* Economic Development and the Committee *for* Education, Sport and Culture. The next step will be the establishment of a Skills Development Agency. The Committee is keen to make some initial progress on this workstream during 2025, however the funding and implementation of this initiative will need to be prioritised and taken forward in the next political term.

- C** The Committee's officers are working with the UK's Department for Business and Trade so that the Bailiwick remains well-positioned globally and can be included in the UK's **Free Trade Agreements**. To date, the Bailiwick has secured baseline participation in all of the **UK's post-Brexit Free Trade Agreements** and has agreement to take part in **Digital Economic Agreements with Ukraine and Singapore**. For trade across the Atlantic, the Bailiwick is to be included in the UK's trade Memoranda of Understanding with eight US states.

Ambitious work towards Guernsey's full participation in the **Comprehensive and Progressive Agreement for Trans-Pacific Partnership** continues, whilst the primary focus for Guernsey's government is inclusion in the **UK-Gulf Cooperation Council Agreement**, which is currently under negotiation.

The Committee actively participates in **External Relations** activities. This includes meeting with UK Ministers, Ambassadors, and High Commissioners. Meeting UK Ministers ensures that Guernsey's interests are represented. Committee representatives also attend Commonwealth events and UK political party conferences.

- D** The States agreed to an **additional £1 million per annum of funding** for Guernsey Finance to promote the Island's international finance sector from 2024 to 2027. From a business development perspective, that additional investment continues to represent value for money with Guernsey Finance currently facilitating the introduction of four new life insurance branches on the Island and a new fiduciary licence. These have been the catalyst for numerous new trust, company and fund structures being moved to, or formed, on the Island.

Guernsey Finance is also working on over 40 significant pieces of new business for Guernsey including, notably, a trust company licence, two investment managers, a custody platform, two major fund structures and a further two new banking licences. This reflects a strong pipeline of new business across key strategic markets.

A member of the Committee chairs the Finance Sector Forum which meets monthly with representatives from the finance sector. **The next Assembly will need to consider whether it wishes to prioritise continued investment in promoting the Finance Sector beyond 2027.**

- E** **Secure Transport Connectivity and Infrastructure** – The Committee provided input into the air policy framework and within the framework has responsibility for route development. The Committee supported a **new air route to Paris** for three years and the route has performed better than anticipated with 7,000 passengers using the route and average load factors of 67% from March to November 2024. Progress has also been made to secure the Island's sea connectivity with the introduction of the ramp licensing legislation and the signing of a new 15-year contract for Brittany Ferries to deliver Guernsey's ferry services.

- F** The digital framework was published in 2021 which sets out the States of Guernsey's aims to develop the Island's digital capability. Significant progress has been made to accelerate the implementation of the fibre network with the States of Guernsey committing up to £12.5 million in investment to enable 30,000 premises in Guernsey to be connected to the fibre network by 2026. The Committee recently lodged a policy letter setting out a licensing framework for 5G and successor technologies that is scheduled for debate in Q1 2025. PWC has also completed a review of the Bailiwick's Digital Economy.
- G** An enterprise plan has been developed and a pilot **Guernsey Enterprise Investment Scheme** opened for applications in October 2024. The scheme aims to encourage investment into high growth, early-stage businesses in Guernsey by providing an investor benefit to those investing into start-ups and developing businesses. The Committee received six applications in the first funding round and five applications have been approved to date, a total of £372k from the £600k GWP budget, representing a potential £1.24m of investment into innovative Guernsey businesses.

## Statutory functions

The Committee for Economic Development provides political oversight of several statutory functions and offices including the Guernsey Registry and the Office of the Public Trustee. The Committee also provides a grant to the Guernsey Competition and Regulatory Authority to enable it to fulfil its duties relating to competition law.

The Committee has political oversight for two statutory offices that operate on a pan-Channel Island basis in both Guernsey and Jersey. The Committee oversees the Office of the Director of Civil Aviation's and the Office of the Financial Services Ombudsman's activities in the Bailiwick of Guernsey.

The Committee also oversees the sea fisheries licensing regime that was put in place post-Brexit under the UK-EU Trade and Cooperation Agreement which ensures that only licensed vessels can access the Bailiwick of Guernsey's territorial waters.

The Guernsey Registry maintains a register of companies and charities operating in Guernsey. During this political term the Committee oversaw a significant investment in the IT systems of the Guernsey Registry to ensure the provision of secure, accurate, reliable and easily accessible registers to maintain Guernsey's global reputation as a jurisdiction of choice. This investment was also critical to ensure that the Bailiwick of Guernsey would be able to meet its obligations in relation to the MONEYVAL evaluation.

The Office of the Public Trustee (OPT) has continued to focus on asset recovery in a complex legal case and the Committee has conducted a review of the OPT to ensure that it remains fit for purpose and offers value for money for taxpayers. The outcome of the review will be announced during the first half of 2025. The Committee is also conducting a review of competition law and regulation and intends to report on this review during the first half of 2025.

The Director of Civil Aviation is a pan-Island position with statutory responsibilities for civil aviation in both Jersey and Guernsey. The Committee has oversight of the Office of the Director of Civil Aviation's activities that relate to the Bailiwick of Guernsey, including political oversight of the administration of 2-REG - the Bailiwick's successful Aircraft Registry.

The Committee also provides political oversight to the Office of the Financial Services Ombudsman in relation to the functions that the Ombudsman carries out in relation to the Bailiwick of Guernsey. The Channel Islands Financial Ombudsman is a pan- Channel Island position and operates in both Guernsey and Jersey. The Committee meets regularly with the Ombudsman and provides oversight of the budget setting process in relation to the office's activities conducted in the Bailiwick of Guernsey.

Significant work was undertaken post-Brexit to put in place a new sea fisheries licensing regime under the UK-EU trade and cooperation agreement. Vessels wishing to fish in Bailiwick territorial waters had to apply for a licence and the licensing regime was fully implemented from 1 February 2023 and remains in place.

## Income / expenditure monitoring and budget management

The Committee's final agreed cash limit for 2025 is £12.2 million and the Committee is forecast to underspend against its 2024 cash limit.

The Committee has retained tight control of its budget throughout the political term and was the only Committee that reduced its budget when all Principal Committees were asked to review their expenditure by the Policy & Resources Committee.

It should be noted that while the Committee's budget includes expenditure for the Guernsey Registry the income generated by the Guernsey Registry is returned to General Revenue and is not included in the Committee's cash limit. In 2023 the Guernsey Registry generated approximately £9 million for general revenue.

# Risk assurance

The Committee maintains a risk register which it regularly reviews and the key risks identified are then fed into the Bailiwick's wider strategic risk register.

Key risks identified during this political term have been principally related to the resilience of the Bailiwick's air and sea connectivity. These risks have been carefully monitored and managed and led to the implementation of contingency measures being implemented by the Policy & Resources Committee for critical sea freight services.

## Compliance with international agreements and conventions

To date, the Bailiwick has secured baseline participation in all of the UK's post-Brexit Free Trade Agreements and has agreement to take part in Digital Economic Agreements with Ukraine and Singapore. For trade across the Atlantic, the Bailiwick is to be included in the UK's trade Memoranda of Understanding with eight US states.

**Ambitious work towards Guernsey's full participation in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership continues, whilst the primary focus for Guernsey's government is inclusion in the UK-Gulf Cooperation Council Agreement, which is currently under negotiation. It is likely that these will remain priorities for the next political term.**





# Maintain legislation

A number of significant pieces of new primary legislation have been introduced by the Committee *for* Economic Development this political term, including but not limited to:

## 1) The Lending, Credit and Finance Law (Bailiwick of Guernsey), 2022

This Law came into force on 1 July 2023. From this date, persons carrying on the activities covered by the Law must hold an appropriate licence. The main purpose of the new Law is to protect customers who make use of consumer credit and home finance. Persons offering or intermediating such services in or from within the Bailiwick must be licensed and regulated by the Guernsey Financial Services Commission unless they meet the criteria for exemption.

## 2) The Ro-Ro Sea Links (Guernsey) Law, 2024

The draft *Projet de Loi* entitled “The Ro-Ro Sea-links (Guernsey) Law, 2024” was approved by the States of Deliberation at its meeting on 25th September 2024.

The *Projet* provides for the Committee *for* Economic Development to award an exclusive concession licence for up to 20 years to provide ferry services to and from Guernsey using Ro-Ro vessels. A licence is subject to a concession agreement concluded between the Committee and the licensee. Approved public procurement policies and procedures must be followed before a concession licence is granted.

## 3) The Committee also updated a number of Company Laws to ensure that they remained fit for purpose and would enable the Bailiwick of Guernsey to meet its international obligations, including MONEYVAL.

In addition, the Committee has made numerous Statutory Instruments to update existing pieces of legislation to ensure that they remain relevant to today's requirements and reflect current best practice internationally.



# Discharge Resolutions

Following a successful Requête in late 2019, the Committee *for* Economic Development was under a States Resolution to bring a business case for an extension of the runway at Guernsey Airport of at least 1,700 metres to the States Assembly. The Assembly debated the Committee's policy letter in September 2023 and resolved that a decision to extend the runway at Guernsey Airport should be driven by the States' Trading Supervisory Board on the basis of commercial, regulatory or other considerations and directed the States' Trading Supervisory Board to take account of the cost-benefit analysis and supporting reports presented in the policy letter in advance of the next planned resurfacing of the runway at Guernsey Airport or as part of the Guernsey Airport Master Plan.

## Current pressures

### Responding to external drivers (eg: Ukraine war; post-Brexit; COVID; constitutional demands)

There will be an ongoing need to ensure that the Bailiwick of Guernsey complies with the requirements of:

- Free Trade Agreements
- Compliance with World Trade Organization rules
- International trade/Treaty work

### Extant strategies and policies

- Business Case for the Extension of the Guernsey Airport Runway. The policy letter on the extension of the runway at Guernsey Airport was debated and approved by the States Assembly in September 2023.
- Economic Development Strategy and implementation plan. The strategy was agreed by the States in November 2018 and implementation of the strategy has been subsumed within the Government Work Plan.
- Establishment of Tourism Management Board (TMB) and publication of Tourism Strategy. The Tourism Management Board was established during 2023 and the TMB published a Framework for a Visitor Economy in March 2024.
- Implementation of the Digital Framework – The fibre to the premises project is on track to connect 30,000 premises in Guernsey to the fibre network by 2026, the 5G and successor technologies licensing framework is due to be debated by the States in Q1 2025, so good progress has been made in implementing the digital framework.

## Statutory requirements

**Guernsey Registry will need to comply with recommendations from the MONEYVAL evaluation in 2025 and beyond.**

The UK is a member of the International Civil Aviation Organisation (ICAO), and is subject to periodic ICAO audits. ICAO may opt to include an audit of any of the Crown Dependencies. Accordingly, the Office of the Director of Civil Aviation ensures on an ongoing basis that the ODCA's activities, processes and procedures demonstrate compliance to ICAO Standards & Recommended Practices (SARPS). **We anticipate an interim audit of the Office of the Director of Civil Aviation by the UK's Department for Transport during 2025.**

## Parliamentary Business

The Committee's President has provided regular update statements on behalf of the Committee *for* Economic Development to the States of Deliberation to highlight progress against the Committee's Work Plan and has responded to any questions that States Members had on the Committee's mandate.

The Committee has responded to all questions from States Members submitted in accordance with Rule 11 or Rule 14. The Table below illustrates Rule 11, Rule 14 and Freedom of Information requests answered by the Committee.

The Committee has also attended and provided evidence to several Scrutiny Management Committee hearings during this political term on the Committee's mandate, including two hearings that scrutinised all aspects of the Committee's mandate and a recent hearing on the Committee's decision on the contract for the States of Guernsey's ferry service in December 2024.

	2020 (Oct Onwards)	2021	2022	2023	2024
<b>Rule 11 questions</b>	0	1	1	1	1
<b>Rule 14 questions</b>	0	2	1	2	2
<b>Freedom of Information requests</b>	0	0	1	0	2



# The Committee *for* Education, Sport & Culture

End of Term Report, March 2025



# Committee Mandate



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The purpose of the Committee *for* Education, Sport & Culture (the Committee) is to encourage human development by maximising opportunities for participation and excellence through education, learning, sport and culture at every stage of life. It advises the States, and develops and implements policies, on pre-school, primary, secondary, further and higher education; apprenticeships; skills; lifelong learning; sport, leisure and recreation; youth affairs; the arts; libraries, museums, galleries and heritage; Island Archives; and civic celebrations and commemorations, including Liberation celebrations.

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# Introduction

This summary provides a high-level overview of the progress and development of workstreams within the Committee's Work Plan set out in the Government Work Plan 2023-2025. The Committee's [annual report](#), the most recent of which was published in March 2025, provides additional detail linked to progress against the priorities and commitments of [Our Education Strategy](#). Alongside the significant progress being made across key areas of education (such as the rise in literacy levels and the positive inspection outcomes) the Committee has also prioritised developments across its sport and culture remit all of which are important to community life in our islands.

In 2023 the Committee set out an updated work plan for 2023-25. This reflected the post-pandemic reset to the Government Work Plan and focused on the Committee's priority areas for the remainder of the political term. Additionally, the Committee has continued to oversee the delivery of operational services across its mandate. These services are wide and varied and provide support and opportunities to the community through a model of direct and commissioned service delivery. During this term the Committee and its officers have undertaken structured reviews of the service level agreements which are in place with external partners and third sector organisations and have actively monitored and evaluated the outcomes and value for money of the service delivery.

With such a broad mandate, and against a challenging financial backdrop influenced by external factors at home and overseas, the Committee has been progressing with key programmes of work to update and improve the aged infrastructure across the estate. It is critical that both the physical and digital infrastructure meets appropriate statutory requirements as well as the standards and objectives that the Committee and the States have set themselves to ensure the delivery of high-quality public services for the community. Despite the financial challenges, the Committee has driven improvements in the services it oversees and in the service level agreements for commissioned services, to deliver best value for taxpayers' money.

# Responding to external drivers

## COVID recovery in education

To support the recovery from the impact of COVID-19 the Committee identified a series of key workstreams. These were designed to mitigate the negative impact of the pandemic on educational experiences and outcomes for learners and funding was specifically provided to enable initiatives to be introduced and embedded in education delivery. As these initiatives have now completed or been embedded into the education system, in March 2024 the final recovery plan monitoring report was reviewed by the Committee.

A summary of highlights from this report is provided below:

- **Learning Support Assistants (LSAs)**

The offer of permanent contracts to LSAs across primary schools has resulted in enhanced capacity and ability to deliver interventions and specific programmes designed to enhance progress and attainment in reading and maths.

- **Curriculum and assessment tools**

Funding was used to enable the adoption of a single maths curriculum, assessment and online tutoring package across all secondary schools allowing a consistent approach and supported by high-quality resources. A maths fluency programme was purchased for all primary schools and specialist provision and has had a marked impact for learners. These programmes complemented existing investment in the development of new curriculums and the training associated with them.



- **Increased provision of outreach services**

The appointment of a member of staff to provide outreach services to learners who need specific additional support or are at risk of disengaging from education.

- **Additional support roles**

A number of additional support roles have been introduced to work directly with learners and their families including Family Liaison Officers (secondary schools), an Early Years Additional Learning Needs Coordinator, Learning Support Mentors (LSMs) and Emotional Literacy Support Assistants (ELSAs). Whilst some of these roles are new appointments, many have been managed through the training and accreditation of existing staff to provide specialist support. Greater administrative support has also enabled schools to have greater autonomy, with Headteachers and Principals having access to the resources needed to enable them to focus on the strategic aspects of their roles.

Guernsey is proud to be one of few jurisdictions in the world to have at least one ELSA in each of its schools – making a difference to learners and their learning through high-quality support.

**Attendance remains a priority area of focus for the Education Office and the Committee receives regular updates on progress to increase attendance beyond pre-pandemic levels. Education leaders also receive challenge and support on the levels of attendance and steps taken to improve attendance through the Interim Governance Boards.**

### Recruitment challenges in teaching profession

High-quality, experienced teaching staff are key to ensuring our education offer meets the needs of all learners and recruitment in some subject areas continues to be a challenge both locally and internationally. In response a comprehensive Workforce Strategy has been developed and is being implemented. Creative approaches continue to have a positive impact on recruitment and retention across the teaching profession.

Key areas of focus have been:

- **An improved approach to the recruitment cycle, using different 'push' and 'pull' marketing opportunities has attracted a wider range of professionals to apply for roles in Guernsey and Alderney. The process will be further refined for the next recruitment cycle.**
- Improving retention rates by having a comprehensive development programme for staff across the education system and providing opportunities for career progression, offering formalised professional development opportunities including the ability to undertake initial teacher training in order to qualify as a teacher on-Island and exploring creative ways to overcome shortages in specialist areas.

- The introduction of Island Wide Teachers deployed to enable high-quality cover for absences in the primary phase, and to enable staff to undertake development activity.
- Taking steps to understand any dissatisfaction and address concerns in order to increase retention, including the use of regular surveys to gather the views of staff (jointly with staff associations/trade unions and independently) and identify the culture and values of individuals and the organisation. This has helped to shape and define the commitments in Our Education Strategy and how these are delivered, and has informed new ways of working, systems and processes to manage workload pressures.

Together the success of these initiatives ensured that all teaching posts were filled for the start of the 2024/25 academic year with a 30% reduction in reliance on agency teachers between September 2023 and September 2024. The use of some agency teachers remains expedient, particularly during the period of reorganisation across secondary education.

**Whilst each of these initiatives has been successful, securing appropriate accommodation, both for short-and long-term requirements, continues to be a significant challenge and a barrier to recruitment and retention.**

## Extant strategies and policies

### Repeal and replace Education Law

Following a review of the previous Committee's proposals on a new Education Law, the Committee submitted a policy letter in 2023 for debate. This was subsequently withdrawn as the Assembly indicated differing views on a number of key areas, in particular the provisions relating to Education Governance. Other jurisdictions have faced similar challenges in updating outdated education legislation which no longer meets the needs of modern society.

The Committee has recognised that a fundamental review of such a significant piece of legislation needs to be undertaken incrementally to ensure it is better able to convey to all stakeholders the breadth and depth of the implications of proposed legislative changes in the short and longer term. It has identified logical groupings of content, including those which relate to safeguarding, the establishment of schools, and the learner experience, informed by the views of political colleagues, school leaders and other education professionals, parents and carers and of course children and young people.

Further consultation and engagement with stakeholders has taken place and the Committee prioritised arrangements for Education Governance in its policy letter of November 2024. The proposals for a statutory framework were approved by the Assembly in February 2025 and work is now underway to begin drafting the legislation alongside the development of the governance handbook, policies and procedures necessary to bring the changes into effect not later than Q1 2026. Work will also commence in respect of the recruitment, onboarding and training of members of the community to the role of governor to populate governance boards. This work represents the culmination of many years of conversation and research by predecessor Committees along with the experience and knowledge developed through this Committee's Interim Governance Model which has been in place since 2022.

### Deliver against nasen report

Significant progress has been made on the implementation of actions against the recommendations of the Guernsey and Alderney SEND review<sup>1</sup> completed by nasen in 2020/21. 12 of the 18 recommendations have now been enacted and integrated into operational delivery, or are on target for completion. Of the remaining recommendations, most relate to greater strategic and operational alignment between the Committees for Education, Sport & Culture and Health & Social Care and a key outcome from the report is the cross-Committee officer working group, which has enabled integrated pathways for children and young people to be created. Following endorsement of the recommendations by the States and with the support of the Committees for Education, Sport & Culture; Employment & Social Security; Health & Social Care and the Policy & Resources Committee the formal SEND Leadership Alliance was established in 2022. This is governed by the SEND Alliance Political Oversight Group with representation from the contributing Committees.

To date the Alliance has established four distinct pathways:

- Early Years Pathway
- 19-25 pathway
- Neurodevelopmental Pathway
- Early Help Pathway

Pilot projects have been implemented under the pathways, some of which have or are soon expected to transition into business as usual following positive evaluation of their impact.

<sup>1</sup> [Guernsey and Alderney SEND Review, February 2021](#)



A key recommendation from the review was the introduction of a new Code of Practice for those with Additional Learning Needs (ALN). Following a period of policy development and extensive consultation, the new Code of Practice<sup>2</sup> was launched in September 2024 with an Island-wide conference and training day for education staff and others working with children and young people.

The Code of Practice provides a framework within which the Committee identifies, assesses, and makes provision for those with additional learning needs aged between 0 and 25 years. Furthermore, it supports a consistent approach to meeting additional learning needs, including taking a person-centred approach to any review of provision. Alongside the Code of Practice, the Committee introduced in 2024 a new approach to ensuring that all learners are supported with consistent strategies. The High-Quality Inclusive Practice (HQIP) essentials document<sup>3</sup> guides and assists education settings on how to deliver HQIP and make reasonable adjustments to remove barriers to learning and participation, for all learners with ALN. This has been specifically developed in Guernsey to support improvements in pedagogy. **Parents/carers and professionals supporting children and young people also benefit from access to useful resources enabling them to find information about where to get help and how to access activities or other support for children and families as part of a local offer. A 'one-stop shop' website is due to be launched later this year.**

**During the 2024/25 academic year education settings and services have been integrating the Code of Practice and HQIP into their everyday provision, with the full Code of Practice and related processes being fully implemented from September 2025 to align with the extension of the Prevention of Discrimination Ordinance to education settings.**

### Continuous improvement in education delivery

The Committee re-introduced the publication of an annual report in 2023, structured around the priorities and commitments of Our Education Strategy<sup>4</sup>. The report benchmarks progress against these priorities and commitments and enables the Committee to demonstrate improvement progress across the education system. This progress is further supported by the education improvement framework which allows for targeted resources to be focused in the areas where they are most needed, and monitored against agreed targets.

The Bailiwick Curriculum implemented in 2017 has continued to develop in response to feedback from the community and from research on approaches to learning in an ever-changing world. The publication of curriculum entitlements provides additional

<sup>2</sup> [The Additional Learning Needs \(ALN\) Code of Practice \(Guernsey & Alderney\), July 2024](#)

<sup>3</sup> [High Quality Inclusive Practice - The Essentials, July 2024](#)

<sup>4</sup> [Our Education Strategy - States of Guernsey](#)

clarity on the knowledge and skills expected of learners as they progress through the various key stages of education. The Committee has benefitted from the skills and experience of our educators to write entitlements that reflect the local context and prepare learners for life within and beyond the Bailiwick. **All curriculum entitlements become mandatory from September 2025, with many already being followed.**

Along with the entitlements a comprehensive literacy framework has been established, recognising that becoming literate is essential to children achieving successful academic, health and wellbeing outcomes.

The Committee is proud to facilitate a broad range of opportunities for children and young people throughout their formal education either offered by their school or setting, or through the many community partners that work with us to provide engaging and positive experiences. This includes in areas such as sports, sciences or local history, as well as services offering additional pastoral support or life skills such as online safety, where through a joint initiative with the Committee for Home Affairs, learners have access to a specialist officer.

**We are more than halfway through a four-year improvement programme for English and maths, significant progress has been made and the positive impact of this is shown through the routine assessment of learner progress. Educators are striving to improve further, and continue to set ambitious objectives for themselves to ensure children and young people are able to fulfil their potential.**

### Response to external inspection

The Ofsted inspection framework has been in place since 2020, with bespoke handbooks aligned with the research-based methodology of Ofsted's process but which reflect the specific differences between the education system in England and that of our Islands. Indeed, over the past year Ofsted has made changes to the inspection process and handbook for schools in England that align more closely with that already in place locally. The Committee believes firmly in the value of robust external inspection and has appropriately invested in support and development for school leaders to ensure preparedness for inspection and capacity for continuous improvement. All inspection reports for States-maintained schools and TGI College are published<sup>5</sup> and judgements across the areas of inspection are summarised in the Committee's annual report. Pleasingly, this shows a rapidly improving picture across the education system. **At the time of writing three of the States' 20 education settings have still to be inspected within the current cycle.**

<sup>5</sup> [www.gov.gg/inspections](http://www.gov.gg/inspections)

In line with the work in other commissioned services, progress has been made on Active 8: A Plan for Sport with workstreams being modified and updated to reflect changing priorities since the initial development of the plan. Actions are being delivered in partnership with the Guernsey Sports Commission and the Health Improvement Commission, and the Committee has worked with these partners to ensure that appropriate service level agreements are in place. This review of governance arrangements ensures the Committee is better able to evidence value for money, demonstrate measurable progress and outcomes against the objectives agreed.

There remains a commitment to Active 8, recognising that it provides sustainable improvements for the health and wellbeing of the community as well as supporting high performing sports people who want to compete beyond Guernsey; however, funding remains challenging in this area, with revenue constraints impacting the Committee's ability to support ongoing delivery through grant funding, this will continue to add budget pressures from 2025 onwards.





# Statutory requirements

## Education settings' governance

As already highlighted, education governance, and the devolution and delegation of functions to school leaders, have been matters which have occupied the considerations of successive Committees in Guernsey, and governments in many a jurisdiction. The Committee identified early in its term of office that the existing School Committee arrangements, and its own governance role set out in the Education Law, did not provide for the levels of support and challenge that are required, not least because school committees have a very limited remit and do not exist for all education settings. The Committee also recognised that if it were to propose a new model of governance, and the legislative framework to support it, it would benefit from experiencing first-hand the areas where governance boards could have meaningful impact in supporting education improvement and learner outcomes.

Interim Governance Boards (IGBs) have operated in respect of all fully States-maintained education settings since 2022, initially with political and industry representation in the case of The Guernsey Institute (TGI) and education officers on the board. More recently, membership of the boards has expanded with community representatives being appointed, and at the time of writing parent/carers (or in the case of TGI, student) and staff representatives are being elected.

All members of IGBs are vetted and required to complete training. This includes understanding their role and responsibilities, the importance of safeguarding, and the context of individual schools or TGI within the education system. Additionally, governors receive guidance and support to interpret the data and reports provided by schools and to appropriately both support and challenge education leaders.

The Committee's approach to governance has been praised by external governance experts who have provided training for members, and has been acknowledged by Headteachers and Principals as a pragmatic approach bringing meaningful benefits to learners through school improvement.

**It is envisaged that the termly meetings will continue through 2025 and, subject to the decisions of the Assembly in respect of legislation, will migrate to formal governance boards within a legal framework in the near future.**

[The Children and Young People's Plan](#) (CYPP) remains ambitious in its aims. Following the Plan's refresh, new objectives that relate to the Committee's mandate will be achieved in part or in full by the implementation of the recommendations of the SEND Review and/or through the delivery of the commitments set out in Our Education Strategy, which is intentionally aligned with the ethos, values and objectives of the CYPP.

Specifically, the Committee leads on the area of 'Enjoy and Achieve' with current priorities being:

- Ensure that all children in care have access to education, training and employment.
- Progress the realisation of the nasen review to ensure that our most vulnerable children's educational needs are met.
- States primary and secondary schools will make incremental progress towards the target of 95% attendance for children in the Bailiwick.
- Reduce the educational attainment between vulnerable groups including children in care, children with special educational needs and disabilities, children where English is a second language and those in receipt of uniform allowance and their peers.
- Continue to develop the cross-government work in the Early Years for the Bailiwick.

The outcomes and impact of this work is reported, scrutinised and challenged through the governance of the CYPP and in our own annual Education Strategy Report.<sup>6</sup>

### United Nations Convention on the Rights of the Child (UNCRC)

The Committee continues to strive towards full compliance with the UNCRC, and although the current Education Law has weaknesses in this regard, for example it does not prohibit corporal punishment, the Committee manages this via policy. Education services, whose professional staff often deal with the most vulnerable learners, support a trauma-informed approach to service delivery, which is proven to lead to better long-term outcomes and supports the aims of the UNCRC.

<sup>6</sup> [Our Education Strategy - States of Guernsey](#)



In support of the UNCRC, UNICEF has developed the Rights Respecting Schools Award (RRSA), which has bronze, silver and gold accreditation. Via the RSSA, schools demonstrate that they are safe and inspiring places to learn, where children are respected, their talents are nurtured and they can thrive, thus giving them the best chance to lead happy, healthy lives and to be responsible, active citizens. All fully States-maintained schools have embraced the award and all hold or have previously achieved bronze accreditation, the first jurisdiction in the world to achieve this standard for all state schools;

- four schools are currently accredited at silver;
- eight schools have progressed to achieve the highly ambitious gold award which is only granted to those demonstrating that a child rights approach is fully embedded in the school.

Our bronze accredited schools are now working towards these higher levels.

Following a successful UN dialogue session where, as part of the UK State Party, the commitment to RRSA in our schools was recognised, a number of actions have been identified. The majority of these are cross-Committee and many are already in progress; however, there is an administrative overhead in terms of the obligations placed on the jurisdiction with regard to UNCRC compliance, and the Committee's officers support colleagues from other Committee areas to manage and monitor delivery.

## Parliamentary Business

	2020 (Oct Onwards)	2021	2022	2023	2024
<b>Rule 11 questions</b>	11 questions in 3 sets	9 questions in 4 sets	6 questions in 2 sets	17 questions in 6 sets	5 questions in 2 sets
<b>Rule 14 questions</b>	-	54 questions in 10 sets	85 questions in 11 sets	39 questions in 9 sets	53 questions in 9 sets
<b>Freedom of information requests</b>	-	24 questions in 3 sets	2 questions in 2 sets	12 questions in 3 sets	6 questions in 5 sets

# The Committee *for* Employment & Social Security

End of Term Report, March 2025



# Committee Mandate



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The Committee's purpose is to foster a compassionate, cohesive and aspirational society in which responsibility is encouraged and individuals and families are supported through schemes of social protection relating to pensions, other contributory and non-contributory benefits, social housing, employment, re-employment and labour market legislation.

It advises the States and develops and implements policies on matters including: financial and social hardship; social housing, including States' housing and the States' relationship with housing associations; income support; social insurance; pensions; long-term care insurance; equality and social inclusion, including in relation to disability; the unemployed and the various initiatives to encourage employment and re-employment; labour market legislation and practices; health and safety in the workplace; industrial relations; and Legal Aid.

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# Operational service delivery

In addition to the day-to-day administration of a number of benefits, allowances and services spanning employment, social security and housing, multiple projects and programmes have been undertaken to implement business improvements and States Resolutions.

Overseen through a programme portfolio structure and Portfolio Board, key implementations included the secondary pensions programme, disability & inclusion strategy programme, the creation of the Employment & Equal Opportunities Service, and the establishment of a mesothelioma compensation scheme. In addition, States Resolutions impacting operational delivery have been implemented relating to income support, family allowance and widowed parent's allowance.

Significant work was undertaken in 2022 and 2023 to explore the potential transfer to the Guernsey Housing Association of the housing service and States-owned housing stock. Having regard to the outputs of this work, the Policy & Resources Committee determined that it was no longer appropriate to consider such a transfer. A restructure of the Housing service was subsequently implemented primarily to improve front-line services.

Work continued throughout this term to transform how sickness benefit claims are managed to reduce the number that become long-term. Delivered through the Supporting Occupational Health & Wellbeing (SOHWELL) programme, customers can access early intervention and support from social security to help them stay in work or return to work more quickly. **Due to the success of the SOHWELL programme, the new ways of working have been incorporated into business as usual, and a Work & Wellbeing Strategy to deliver additional support for customers is expected to be approved by the end of quarter 2 2025.**

Work has continued to develop the provision of external work rehabilitation services and the provision of training schemes.

Through the (now closed) MyGov Programme, the Customer Hub was formed within Edward T Wheadon House during 2022 delivering a range of services, including some services on behalf of the Committee for Employment & Social Security (the Committee). Following a period of live running, a restructure of the Customer Hub and Committee services has taken place and been implemented from January 2025. For those services for which the Committee is responsible, this restructure is expected to strengthen customer service through more efficient decision making and a greater focus on return-to-work initiatives and support.



In 2024, the Revenue Service Transformation Programme migrated all Contribution Records, Life Events, Status and Financial Records off the Legacy Contributions system (SIR). This involved over 130 million records being extracted, prepared, signed off by the Service and loaded into new systems. This move removed a significant number of risks to contribution data whilst they were held in legacy servers, and the increased automation and speed of contributions processes will provide new opportunities for policy enhancements.

Several system upgrades have also successfully been implemented this term, and others are expected to be implemented before Q3 2025. These upgrades involve the housing system, benefits system and the specific finance system used to process benefit payments.

The number of compliments, and number and type of formal complaints, are reported to the Committee on a quarterly basis. Services endeavour to provide excellent customer service and although officers across all services have made thousands of decisions in this term of government, there had been fewer than 40 formal complaints received by 31 December 2024, and the number of written compliments received during the same period far exceeded the number of complaints. Furthermore, almost all of the decisions made in relation to the administration of benefits carry a formal right of appeal, as do many of the housing-related decisions, and in total 18 appeals were lodged during this term of government.





# Statutory functions

The Committee has discharged its statutory functions.

## Income / expenditure monitoring and budget management

### Income/expenditure monitoring

In general, for formula-led expenditure (expenditure which is driven by activity volumes), the extent of budget control is limited somewhat by benefit claim criteria set by legislation — if a person is eligible to claim a certain benefit and is entitled, the States are obliged to pay it subject to various policies, controls and claim monitoring processes.

The Committee operates a number of schemes to place people in, and help them to retain, employment, alongside various other schemes which aim to control costs as much as is possible while adhering to the benefits eligibility criteria, including a strict ‘work requirement’ built into the eligibility criteria for income support for people of working age.

Management accounts are shared with the management team and the Committee on a monthly basis. They include explanations for (material) favourable and adverse variances against budget.

### Financial forecasting

Forecasting is undertaken three times a year, in April, July (figures published in the States Budget Report) and October. The Business Engagement Team works with budget holders and budget owners to project income and expenditure to the end of the current financial year. These numbers form an important part of the management accounts pack, advising readers on whether the Committee anticipates a favourable or adverse variance against its cash limit at year-end.

### Financial performance 2020-24

The Committee has been allocated a General Revenue budget of £92.8m for 2025. £13.3m relates to the Committee’s operating budget (for which it receives a ‘cash limit’) and £79.5m relates to an estimation of formula-led expenditure.

## Non-formula-led expenditure

Officers set an annual budget projection for the various operational services based on historic spend and known policy proposals, including the annual review of benefit and contribution rates.

Expenditure has been well under control in the past five years, with staff vacancies a constant during that period, primarily within the central administration section. Non-pay expenditure has also been within budget each year.

## Formula-led expenditure

Officers set an annual budget projection for these demand-led services, based on historic spend and known policy proposals.

Income support made up 74% of the formula-led budget in 2024. Severe disability benefit and carer's allowance accounted for 13%, family allowances 10% and Legal Aid the remaining 3%.

Since the Covid-19 impacted year of 2020, income support expenditure has been within budget.

## Contributory Funds

The Committee is responsible for the Social Security Contributory Funds which consist of the Guernsey Insurance Fund (GIF) and the Long-Term Care Insurance Fund (LTCIF), the Health Service Fund having closed on 1 January 2022.

The GIF is a contributory social security scheme providing a range of benefits including old age, sickness, bereavement, parental and unemployment benefits. The LTCIF provides weekly benefits towards the cost of private nursing or residential care on either a permanent or respite basis.

The two Funds receive income from social security contributions and investment income. Contribution income is apportioned between the two Funds, as well as to the Guernsey Health Service Allocation.

Various types of social benefits (provided to specific individuals and/or households who meet eligibility criteria) and targeted benefits (provided to specifically support the cost of, for example, care in residential/nursing homes, funerals and return to work) are paid out of the Funds, the most significant of these being the States pension which accounted for over 87% of expenditure from the GIF in 2024.

On 1 January 2021, the balance of the GIF was £705.3m, which was equivalent to about 4.4 times annual expenditure. By the end of 2024, the balance had increased to £763.9m, although expenditure cover had reduced to 3.8 times annual expenditure, reflecting the significant financial pressure being experienced by this Fund principally due to the ageing population.

On 1 January 2021, the balance of the LTCIF was £101.0 million, which was equivalent to 4.9 times annual expenditure. By the end of 2024, the balance had increased to £178.0m, which was equivalent to 6.9 times annual expenditure. This trend of increasing expenditure cover is not expected to continue in the long-term as demand for bed-based long-term care is projected to increase significantly in the decades to come (see current pressures section for further information).

## Risk assurance

The Committee works to the States of Guernsey's Enterprise Risk Management Directive which sets out the approach and responsibilities for the management of risk. The organisation has the lowest appetite for risks associated with legislation and regulation compliance; child and vulnerable adult safety; health, safety and wellbeing of staff; security of confidential and personal information; and fraud and corruption.

The States of Guernsey are willing to accept a higher level of risk when pursuing innovation and opportunities that further their strategic objectives. In making decisions about processes, systems or initiatives which affect service delivery, consideration is given to the level of risk (or opportunity) the decision will create; whether the proposed risk (or opportunity) aligns with the organisation's risk appetite; and what actions or controls can be taken to reduce the impact of the risk to an acceptable level (or to maximise the opportunity).

To ensure that risks are managed appropriately, officers review the risk register at regular intervals throughout the year and, when risk mitigation is required, actions are implemented and progress is monitored.

## Compliance with international agreements and conventions

The Committee always strives, when developing policy and legislative proposals, to respect, protect and fulfil the principles laid down in relevant international agreements that have been extended to Guernsey. These include, amongst others, International Labour Organisation Conventions covering fundamental principles and rights at work, United Nations Conventions that protect individuals' human rights, and Trade Agreements. The Committee is also mindful of the principles set forth in relevant international agreements that have not yet been extended to Guernsey, but which, nonetheless, provide a valuable framework when considering how to advance social justice in our community.

The Committee regularly contributes to routine reporting on the Island's compliance with the various international agreements that have been extended to Guernsey. It was particularly pleasing that the United Nations Committee on the Elimination of Racial Discrimination, in its periodic review of the United Kingdom, welcomed the development of Guernsey's Prevention of Discrimination Ordinance, identifying this as one of the ten key highlights from across the whole UK State Party since 2016.

Guernsey has entered into Agreements which establish reciprocity on social security with 22 countries. During this term of government, the Committee oversaw the coming into force of the latest of these Agreements with the Republic of Latvia. This Agreement enables people from Latvia who have lived and worked in Guernsey but have not paid enough contributions for a minimum Guernsey pension, to get a small, part pension from Guernsey when they reach pension age. The agreement also applies in the same way in respect of people from Guernsey who have lived and worked in the Republic of Latvia.

The Committee is a member of the International Social Security Association (ISSA), the world's leading international organisation for social security institutions, government departments and agencies.





# Maintain legislation

Many of the services which fall under the Committee's mandate are statutory in nature, meaning that the parameters under which they operate are set out in legislation. As a result, the Committee is obliged to regularly review and update the legislation for which it is responsible to ensure it continues to fulfil its purpose and to react to changing strategic, social and economic circumstances.

During this term of government, the Committee has focused on measures to improve the financial position of low-income households – for example:

- The limit of weekly income for people living in the community, which effectively capped at an arbitrary amount the weekly incomes of larger families in receipt of income support, was removed with effect from 6 January 2023. The removal of the limit means that all income support recipients are now able to receive the full amount of financial assistance that the States agree each year is necessary.
- Using research commissioned from Loughborough University's Centre for Social Policy Research, the lists of goods and services (sometimes known as 'baskets of goods') upon which income support requirement rates are based were reviewed and updated. These were then used to set the requirement rates for 2022, thereby ensuring that they accurately reflected a household's current needs.
- Emergency and interim increases to income support rates were implemented in October 2022 and August 2023 to support low-income households facing financial pressure during what was an extended period of high inflation.
- The reach of the scheme which provides people who do not qualify for income support with financial assistance in respect of reasonable medical and para-medical expenses has been extended by gradually increasing the income threshold that determines eligibility.
- Measures have also been taken to increase the financial support available to informal carers.

In late 2021, the Committee secured in-principle States approval to gradually increase social security contribution rates to improve the financial position of the GIF and the LTCIF. Four annual increases have been implemented since this time.

The rates of social insurance and social assistance benefits have been increased, at least annually, to ensure they have maintained, or in some cases increased, their value in real terms. In addition, the rates used in the determination of standard weekly rents for States-owned social rental properties have been increased annually in line with inflation and the minimum wage rates and accommodation and food offsets have also been increased annually (see the next section for further information in this regard).



The qualification criteria for Widowed Parent's Allowance (WPA) were amended so that, with effect from 2 September 2024, unmarried parents are eligible to receive WPA in the event that their cohabiting partner dies, and providing that they meet all other relevant eligibility criteria.

The Committee has also taken measures to better target non-contributory benefits and credits at those who most need them – for example:

- Family allowance was a universal benefit until 31 December 2021. With effect from 1 January 2022, an annual household income cap of £120,000 was introduced (now £125,000). Savings arising from the introduction of the cap are used to fund the provision of children's services, including subsidised primary care appointments, an annual free dental check-up, and cultural enrichment activities in schools.
- From September 2024, single parents in receipt of income support, or the member of a couple in receipt of income support who is primarily responsible for childcare, are expected to work part-time when their youngest child turns three (previously five).
- From January 2025, the upper age limit of a child in respect of whom an individual is eligible to receive family allowance credits was reduced from under 16 years to under 12 years, except in certain limited, specified circumstances.

The Committee has also made some changes to secondary legislation to improve customer service and administrative efficiency relating to the collection of social security contributions from individuals who are employed by, and have substantial control of, a limited liability company, and from self-employed and non-employed persons who have earnings/income below the relevant upper limit.

Some functions of the Committee were transferred to other Committees of the States of Guernsey during this term of government. These transfers required amendments to existing legislation:

- Responsibility for the investment of monies forming part of the GIF and the LTCIF was transferred to the Policy & Resources Committee with effect from 15 July 2021.
- The Guernsey Health Service Fund was closed on 1 January 2022 and the balance transferred to the Guernsey Health Reserve. The provisions in the Health Service (Benefit) (Guernsey) Law, 1990 relating to Medical Benefit and other benefits were repealed.

# Discharge Resolutions

In addition to the ongoing maintenance of existing legislation, as set out in the above section, the Committee has also achieved some significant social policy goals during this term of government through the introduction of new legislation, or amendments to existing legislation.

## The Secondary Pensions (Guernsey)

### Law, 2023 came into force on 1

**October 2023.** This Law places a statutory obligation on all employers in Guernsey and Alderney to automatically enrol their employees in a workplace pension scheme – although employees have the right to opt out if they wish. The Committee also facilitated the establishment of Your Island Pension (YIP), managed by Sovereign Pension Services (CI) Ltd., to ensure that all Guernsey and Alderney employers have access to suitable, low-charge pension provision to meet this new statutory obligation. The provision of a second-pillar pension (the States Pension being the first pillar) will greatly improve the financial position in retirement of those who contribute and reduce future reliance on taxpayer-funded income support.



Helen Dean CBE, Chairperson of Your Island Pension Governance Committee.

**The Prevention of Discrimination (Guernsey) Ordinance, 2023 also came into force on 1 October 2023.** This Ordinance outlaws discrimination on the grounds of race, disability, carer status, sexual orientation and religion or belief in the workplace and in wider society. Importantly, the Ordinance places a duty on employers and service providers to take steps to remove, reduce or prevent the obstacles that a disabled employee, job applicant or service user may face in those contexts, where it is reasonable to do so. **The Committee has carried out an interim review of the Ordinance and the outcome of this review and proposals for a second phase of the development of the Ordinance are expected to be published imminently.**

**The Access to Work Scheme was introduced** alongside the Prevention of Discrimination Ordinance. Through the Scheme, disabled people can seek funding from the GIF for aids, equipment, occupational health assessments, occupational therapy, etc. that would otherwise not be provided because to do so would be a disproportionate burden on their employer (or prospective employer). The aim of the Scheme is to help people overcome barriers to work.

The Employment and Equal Opportunities (Guernsey) Law, 2023 entered into force on 1 October 2023 through which **the Office of the Director of the Employment and Equal Opportunities Service was established**. The Office was established to guarantee operational independence when managing employment-related and discrimination-related complaints which might involve the States of Guernsey.

Although delayed because of the economic impact of the Covid-19 pandemic, **States-approved targets for the rates of the Adult and Young Persons' Minimum Wage were achieved with effect from 1 October 2024**. Over a period of six years, the Adult Minimum Wage Rate has increased from £7.75 per hour in 2018, which was equivalent to 50.7% of median earnings based on a 40-hour working week, to £12.00 per hour, which is equivalent to 60% of median earnings. The Young Persons' Minimum Wage Rate has also increased to £10.80 per hour, which is 90% of the Adult Rate.

A compensation scheme for people with diffuse mesothelioma, which is caused by exposure to asbestos, was introduced, on a non-statutory basis, in January 2021.

## Current pressures

### Shortage of affordable housing

There is an acute shortage of Affordable Housing in Guernsey. As at 31 December 2024, there were 263 households on the waiting list for a social rental property and 121 existing tenants that have applied for a transfer to a different sized, or more accessible, property within the social rental housing stock managed by the States of Guernsey and the Guernsey Housing Association (GHA).

**The States of Guernsey, working in partnership with the GHA, have been successful during this term of government in securing a pipeline of land for the development of Affordable Housing, but the number of properties constructed has been disappointing, although progress is now accelerating.**

### Funding challenges arising from demographic factors

The ability to finance the benefits funded through the GIF and the LTCIF is affected by both the level of contribution income, the number of contributors and the volume of claims, which is related to the size and makeup of the population.

Guernsey's published population projections (available at [www.gov.gg/population](http://www.gov.gg/population)) show the potential for a decline in the number of working people, who make the largest financial contributions, as the largest age cohorts move into retirement and are replaced by a smaller generation of younger people as a result of the reduction in fertility rates to below the replacement rate.

This is balanced by inward net migration, which tends to be focused among economically active individuals. Higher levels of net inward migration (as experienced in the last four years) could increase the revenues associated with the payment of social security contributions, while lower levels of net inward migration could reduce the funding available. Migration levels tend to be closely linked to economic conditions.

The movement of these larger cohorts into older age groups, combined with increased life expectancy, is placing a sustained upward pressure on multiple benefits, including, but not limited to the States pension, income support, severe disability benefit, carer's allowance and bereavement benefits.

**Initiatives aimed at helping people to remain healthy and active in the workforce are essential in managing the challenges associated with an ageing population and increasing dependency ratio.**

### Increasing demand for bed-based long-term care

Demand for bed-based long-term care is set to exceed supply imminently and the care home sector, like many health and care providers, has a challenging operating context. Over the next 30 years, the number of over 85s is projected to increase by 128%. Therefore, there is an urgent need to increase the number of care beds available to meet increasing demand. In late 2024, the Committee submitted policy proposals intended to stabilise and incentivise growth in the private care home market to meet demand. However, these proposed measures will worsen the financial position of the LTCIF.

**Further work will need to be done during the next term of government to reform and reshape the current model of community long-term care to improve user choice and deliver efficiencies and cost savings.**



## Cost of living pressures

Inflation increased at an exceptional level between 2021 and 2023. RPIX as at 31 March 2021 was 1.7%, whereas by 31 December 2022 it had increased to 8.5%. High inflation typically has a disproportionate impact on low-income households. Cost of living pressures during this period were compounded by the fact that average wage rates did not keep pace with inflation. Throughout 2022 and most of 2023, median earnings decreased in real terms.

Although inflation has now reduced, it has not yet returned to normal levels. Inflation as at 31 December 2024 was 4.0% and median earnings decreased in real terms during the first two quarters of 2024. [Data on median earnings in the second half of 2024 is not yet available.]

## Parliamentary business

The President of the Committee has complied with Rule 10(4) of the Rules of Procedure of the States of Deliberation and their Committees by making a statement setting out the Committee's recent activities and forthcoming work on a biannual basis.

The Committee has responded to three Rule 11 questions and 41 Rule 14 questions during this term of government (as at 31 December 2024). The Committee has also responded to nine requests under the Freedom of Information Code.

	2020 (Oct Onwards)	2021	2022	2023	2024
<b>Rule 11 questions</b>	0	2 questions in 1 set (ruled out of order so not answered)	3 questions in 1 set	0	0
<b>Rule 14 questions</b>	0	8 questions in 1 set	4 questions in 1 set	0	29 questions in 5 sets
<b>Freedom of information requests</b>	0	2 (including multi-Committee request and 1 joint-Committee request)	2	2	3



# The Committee *for the* Environment & Infrastructure

**End of Term Report, March 2025**



## Committee Mandate



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The Committee's purpose is to protect and enhance the natural and physical environment and develop infrastructure in ways which are balanced and sustainable in order that present and future generations can live in a community which is clean, vibrant and prosperous. It advises the States, and develops and implement policies, on matters including: infrastructure, including but not limited to water, wastewater, the ports and the airports; spatial planning, including the Strategic Land Use Plan; climate change; protection and conservation of the natural environment; waste, water and stone reserves; energy, including renewable energy; solid waste; general housing policy in relation to land use, spatial planning and infrastructure; the coast and coastal defences and the breakwater in Alderney; traffic and transport; the road network; biodiversity; agriculture, animal health and welfare and the sustainability of food and farming; maritime affairs; public parks; and security of supply of essential commodities.

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# Operational service delivery

The Committee's very successful development and introduction of the Electricity Strategy has provided a strong, practical platform on which to improve Guernsey's energy resilience, affordability, and sustainability. This has resulted in a lot of activity improving infrastructure to support the energy transition.

To help ensure the Island's continued energy security, officers worked with Guernsey Energy on the changes to how gas is supplied to the Island, transitioning from bulk supply through St Sampson's harbour to containerised supply through St Peter Port Harbour.

The Committee's focus on on-Island transport has paid dividends in significant improvements.

The Committee commissioned a review into taxi services. Based on this comprehensive analysis and working with industry to determine the best course of action, a raft of positive, pragmatic changes was implemented, including a highly successful taxi hailing app and significant improvements to the provision of taxi services at the airport.

Similarly, the Committee worked with CT Plus to improve the bus service, including the introduction of award-winning technology, including an app featuring real-time bus location information. The Committee also ensured the bus service was not disrupted by the change in operational ownership and, following a competitive tender process, is managing the introduction of a new service provider in 2025 continuing to build back bus figures to pre-Covid levels and beyond, including free bus travel and a huge uptake in cycling during a successful Island Games hosted in Guernsey.

A proactive approach to the routine improvement of road infrastructure has also paid dividends, cost-effectively delivering a high standard of road surfacing and a more comprehensive and accessible network of footpaths and bike infrastructure. This has improved the user-friendliness of the road network and contributed to significant increases in the uptake of walking and cycling and a corresponding reduction in car journeys, far exceeding the Integrated Transport Strategy's targets and demonstrating that more people are enjoying more choice in how they move around the Island.

The Committee and the team at Traffic & Highway Services has also supported the Island-wide roll out of fibre broadband, alongside a high volume of other utility infrastructure upgrades throughout the political term, coordinating multiple organisations to facilitate the most work with the least disruption to the travelling public. This has been delivered alongside handling major events which include the 2023 Island Games and the Guernsey Rally which often draws polarised views.



The Committee has championed the improvement of school transport this political term. The change in secondary education provision resulted in adaption needed to the school bus network. Two School Street initiatives have been made permanent around St. Martin's and La Houquette Primary Schools, increasing children's safety and independence whilst decreasing congestion and pollution. As a result, one of these schools is thought to have the highest rates of walking, riding, and bus use anywhere in the British Isles, and childhood overweight and obesity rates are now heading in a healthier direction, unlike comparable jurisdictions.

Following a successful trial, changes were made to enable al fresco dining along the Quay on a permanent basis, improving the public realm and supporting local businesses. The Committee's subsequent reform of the process of applying for al fresco dining significantly reduced the time, cost and bureaucracy that had previously been involved, making it now a much easier and more affordable option that can enhance Guernsey's offering to the local and visitor economy alike.

A great deal of proactive, cost-effective work has taken place on coastal infrastructure, strengthening the Island's vital defences against tidal inundation and increasingly frequent extreme weather events. The routine maintenance programmes have been delivered on budget. There has been rock armouring, wall repairs and improvements to coastal features such as piers and slipways in many areas around our coast, and erosion of the coastal path at La Fontenelle was addressed. Petit Port cliff has been stabilised and the work at L'Ancrese East progressed as agreed by the States, with more rock armour installed. The largest project saw the stabilisation of the cliff in the Cow's Horn area which allowed the reinstatement of the steps leading to the Clarence Battery and the cliff paths beyond. The Committee is also proud of the results of the public private partnership with Vive La Vallette, re-opening the Bathing Pools in 2022 following major restoration and renovation of this heritage infrastructure to become a well-used and much-loved community amenity.



# Statutory functions

The Committee has improved water standards through the introduction of the Environmental Pollution (Water Pollution) Ordinance, 2022, which came into force that year. This legislation introduced controls (previously absent) on discharges into water bodies, including through the licensing of prescribed operations and the introduction of ground and surface water standards. The Committee has further supported this by working with third sector partners to reduce pesticide use and carry out further research on pollinators.

The Committee has also introduced legislation to improve housing standards. Primary, enabling legislation and the Housing (Standards and Regulation) (Enabling Provisions) (Guernsey) Law, 2021 received Royal Sanction and was registered in 2021. This Law empowers the States to achieve reform of housing standards via Ordinances. Following a public consultation on the key topics, new housing legislation was agreed by the States in March 2025.

In 2022, the Committee ensured that extension to the Beijing and Montreal amendments to the Montreal Protocol were ratified and extended to the Bailiwick. This solidified Guernsey's commitment to phasing out ozone depleting substance, and operationally it meant that the exports of waste ozone depleting substances (ODS) (e.g. redundant refrigerators) could recommence from the Bailiwick.

Following the withdrawal of the United Kingdom from the European Union (Brexit), Guernsey's previous trade relationship with the UK and the wider European Union (EU) became obsolete. The Bailiwick therefore had to negotiate new trade arrangements, which encompassed a review and refresh of local Sanitary and Phytosanitary (SPS) controls. Local food, animal and plant legislation has been under constant review over the last four years, and all have been updated to preserve the status quo for SPS movements into the Bailiwick (whether from the UK, EU or beyond) and to maintain relatively free and frictionless movement of SPS goods into the UK. These legislative and operational changes have achieved compliance with Guernsey's new obligations arising under the World Trade Organisation and under the UK-third country Free Trade Agreements (FTAs) to which it is party. This work is ongoing, but the Committee and its officers have worked to ensure that personal and trade movements of animal, plant and food goods can continue with minimal disruption.

The States Veterinary Officer's duties grew significantly in the areas of animal health and welfare responsibilities post-Brexit. To address the very much increased need, a Deputy States Veterinary Officer now supports the States Veterinary Officer. The Committee updated both Animal Welfare and Veterinary Surgeons legislation in 2024 and introduced a (cost-neutral) Animal Health & Welfare Officer to implement the licensing regime.

In 2021, the highly respected "RSPCA Assured" scheme was introduced as the



Guernsey Dairy Sector Farm Assurance Provider, underscoring Guernsey milk as a quality product benefiting from high animal welfare standards. 2023 and early 2024 also saw the States Veterinary Officers assisting with the unavoidable but smooth transition from a local to a remote provider of livestock veterinary support.

The Committee has continued to support the Planning Panel to sit as an independent statutory body to determine appeals against planning decisions made by the Development & Planning Authority.

## Income / expenditure monitoring and budget management

Conscious of the financial constraints within which the States must operate, the Committee has focused determinedly on value for money, operating more efficiently, and continued to deliver its key services within its agreed budget.

This drive to obtain best value for money has included reviewing contracts, work on which is ongoing and challenging, and reviewing the way services have been delivered, in some cases, for decades. An example is the bus contract, through which the Committee delivered a saving of £300,000 in 2020 and further value-for-money improvements negotiated for the next contract, which will see a change in bus operator in April 2025.

The Committee has also established the Nature Commission, as another example of building community partnerships to deliver services in the most efficient and cost-effective way. The third sector has match-funded the States' contribution for the initial three years, and one of its key aims is to unlock and facilitate further private investment in the Island's biodiversity from individuals and through corporate Environment, Social and Governance contributions, maximising value for taxpayers' money and benefitting Guernsey's natural environment.

Invasive non-native species (INNS) are recognised as one of the main global threats to biodiversity and many pose a risk to the economy and public health. Prevention of establishment is considered the best means by which INNS should be managed and has been identified as a key action. Successful local projects to tackle invasive plants and animals such as sour fig and Asian hornets offers returns many times higher than the initial spend through preventing damage caused by invasive species.

The Committee has increased its income in a range of areas, including public transport, Traffic & Highway Services, and Driver and Licensing, increasing income for the States of Guernsey. The Committee has also introduced legislation to enable appropriately higher levels of income from Open Market inscriptions in a way that supports the housing policy objectives.

One of the Committee's frustrations over this political term has been the lack of progress with respect to IT systems development to introduce an e-commerce function that would enable the more efficient booking and billing of certain public services for private benefit that currently have to be provided free of charge, simply because the administration costs of manual invoicing would outweigh the revenue. This is something the Committee has asked for throughout this political term, and which it hopes can be progressed as soon as possible, as it makes sense from both a policy perspective and an income generation perspective.

Another area that the Committee has tried to progress is around reform to transport taxation, as per various States Resolutions. Progress requires the cooperation and involvement of the Policy & Resources Committee. **The Committee is particularly keen that fuel duty is reformed, to address the growing inequity and unfairness in the current system as well as to put income generation on a more sustainable footing going forward. The Committee very much hopes that this is also something that will be prioritised by the incoming Policy & Resources Committee and progressed as soon as possible.**

## Risk assurance

The Committee has proactively ensured that there are effective arrangements for governance, risk management, and internal control for all its service areas. This includes risks to the Island's food security, fuel security and critical infrastructure, among others.

## Compliance with international agreements and conventions

International agreements and conventions are vital to the Bailiwick's global reputation and supporting trade into and out of the Bailiwick, and the Committee has played an active role in this respect.

The Paris Agreement was extended to Guernsey in December 2023 and officers have fed into the UK's Biennial Report as part of the Island's compliance. The technical report on the "Pathway to Net Zero" has been undertaken and has been further consulted upon prior to publication of the associated policy letter. This policy letter will set out the economic opportunities, practical challenges, and proposed approach for the Island, which takes into careful account the current fiscal constraints in which the Island must operate.

**The Committee has led work to extend the UN Convention on Biological Diversity to Guernsey – an international environmental agreement focused on conservation to which most countries in the world are already party.** Progress on the extant Resolution to extend the convention is near completion with the formal request to the UK for extension due in the first quarter of 2025. **Once extended, the Island will be required to demonstrate ongoing compliance.**

The Committee continues to progress the Island's obligations under the Vienna Convention to ensure that drivers can continue to drive and take their vehicles abroad. To meet these requirements, the Committee is introducing a register of driving instructors and work is being undertaken in consultation with motor traders on the periodic inspection of vehicles on a priority basis.

## Parliamentary business - Statements/Rule 11/14 Questions

Twice a year, the Committee has updated the States' Assembly on its delivery of States' Resolutions, ongoing work to support the Island's needs and the Government Work Plan, and key areas of operational interest.

	2020 (Oct Onwards)	2021	2022	2023	2024
<b>Rule 11 questions</b>	3 questions in 1 set	17 questions in 5 sets	20 questions in 6 sets	8 questions in 4 sets	18 questions in 5 sets
<b>Rule 14 questions</b>	5 questions in 1 set	1 question in 1 set	8 questions in 4 sets	9 questions in 2 sets	27 questions in 6 sets
<b>Freedom of information requests</b>	0	1	2	4 (+1 joint committee)	13 (+1 multiple committee)

## Maintain legislation

The Committee has continued to amend existing legislation as needed. Primarily this has been in areas such as plant and animal health to ensure compliance with international agreements and maintaining the Island's ability to trade and obtain goods freely in the post-Brexit environment.

Added resource has enabled the Committee to fulfil the long-standing extant Resolutions on modernisation of animal welfare legislation.

Modernised water pollution legislation was introduced in 2022.

The Committee has worked to simplify legislation wherever possible. It amended legislation regarding the making of an application for al fresco dining on public highways, for example, to ensure it became simpler, faster, and less expensive to make an application.

The Committee managed the re-appointment of members to the Planning Panel to ensure it could fulfil its duties under the Land Planning and Development (Guernsey) Law, 2005 as an independent statutory body to determine appeals against planning decisions made by the Development & Planning Authority.

## Discharge Resolutions

The Committee has worked through all the Resolutions relating to housing, which is the Island's top domestic priority, and – using an up-to-date evidence base, subject specialist expertise and a lot of stakeholder involvement – brought these Resolutions together into a cohesive strategic programme, published as the Guernsey Housing Plan. **Thanks to additional resource allocated through the 2025 budget, even more workstreams than previously can now be progressed, including, for example, very practical actions related to unlocking specific sites that have the potential to yield much-needed new homes.**

The Committee secured the Island's future aggregate supply with quarrying at Chouet. It has been working with others on the future of Les Vardes and ensuring Guernsey has appropriate water storage to meet future needs.

Following on from the States of Guernsey Energy Policy 2020-2050, the States agreed the Committee's proposed Electricity Strategy – a more affordable pathway than the status quo that maintains the Island's decarbonised electricity supply whilst moving to net zero by 2050. It prioritises on-Island renewable energy with solar and wind power and progresses a second cable link with France. **This provides a route to more affordable electricity than the status quo would have done, plus certainty and a clear strategic direction for Guernsey Electricity and the wider energy industry combined with the security and supply of our future energy needs, which are of paramount importance.**

Meanwhile the Committee has established the Energy Partnership, bringing together industry and government and forming part of a collaborative approach to the delivery of the energy policy aims. This partnership was helpful in shaping the Electricity Strategy and its follow-on work.



**The Committee has played a leading role in the Offshore Wind Sub-Committee, accelerating work to quantify the potential opportunity to generate substantial revenue from a commercial-scale wind farm.**

The ongoing work of the sub-committee is supported by work being led by the Committee with it being at the early stages of developing a marine spatial plan, which is a key enabler for the sub-committee's aspirations. A policy letter on the licensing framework for offshore renewables will be submitted to the States in the first half of 2025.

In line with historic Resolutions, which had not been delivered previously, the Committee brought a policy letter to strengthen animal welfare in Guernsey, agreed by the Assembly in 2024.

The range and volume of animal-related businesses on-Island has expanded considerably in recent years as animal populations have increased and demand for animal care services has risen. With Guernsey's dog population alone estimated to be up to 10,000, many households place their animals in the care of commercial entities that are not licensable under the current regulations, which the Committee is addressing. Not only does licensing protect animal welfare but helps ensure public safety and encourage ethical business practices, a transparent licensing system can provide consumers with confidence in choosing animal care services.





# Current Pressures

## Responding to external drivers

In February, the States agreed a change to the way that government supports the dairy sector, in recognition of the public benefits delivered by dairy farmers to the Island's heritage, environment and landscape, and to restore the stability of the industry. The agreed changes were based on a comprehensive assessment of the sector's long-term viability, following the release of emergency funding which was needed because of the economic impacts that Brexit and the Ukraine war had on agricultural costs. Financial support had to be procured and introduced in 2022 by the Committee when our dairy industry was facing one of its biggest challenges for years, to help keep farmers in business and the sector viable.

The review evidenced that Guernsey's dairy sector continues to be affected, with historically high costs still having a negative impact on business viability and confidence, which in turn have resulted in a reduction in herd sizes to a level that could – if not proactively addressed – jeopardise the ability of farms to meet the Island's demand for milk in the coming years.

**The Committee must highlight that the Island needs the development of a wildlife law, a crucial piece of legislation that exists in most other jurisdictions, but that Guernsey does not have. This is a major project that the Committee hopes will be given appropriate prioritisation in the next political term, as it is fundamental to our compliance with international agreements and conventions.**

The Committee continues to address road transport and driving licence implications for driving in Europe post-Brexit to ensure access for local drivers is not impeded and reciprocal arrangements are maintained.

## Extant strategies and policies

The Committee is at the forefront of some of the most pertinent strategic challenges and opportunities. While climate change brings with it escalating risks, it also presents opportunities to improve islanders' health and quality of life, reduce the cost of living, and strengthen the economy, whilst also making the future brighter and more sustainable for younger and future generations. As an Island, our infrastructure is particularly critical: we must continue to prioritise housing, flood defences, energy, communication, transport (both on- and off-Island) and green (terrestrial) and blue (marine) infrastructure.

The next Assembly can and must retain the focus on housing. The Committee has done all the essential groundwork: we now have an up-to-date evidence base, in-house modelling capacity and increased officer resource, and all the strategic thinking has been done, so during the next political term the relevant Committees can hit the ground running.

Guernsey has huge promise in terms of renewable energy, both onshore and offshore, and these are opportunities again the Committee hopes its successors will continue to develop. This includes exploring opportunities for Guernsey to embrace innovation – a role that we are well suited to, thanks to our size, autonomy, and agility.

Strategic decisions over the future harbours are essential to a raft of decisions over other infrastructure – not least transport in and around the harbour areas, housing, energy infrastructure and flood defences. These strategic decisions must be a top priority for the next Assembly, as so much relies on them.

And finally, the Committee has again taken an innovative approach with respect to transport, developing the Better Transport Plan to support existing and new housing development in the north of the Island to give current and future residents more choice and more convenience. This is again something that the Committee's successors can pick up and run with, improving the quality of life for many people, and it is an approach that can be replicated in other parts of the Island as well.

Like all other parts of the States, the Committee is acutely cognisant of the double-edged pressure of demographic change, leading to an increased demand for services and reduced income, leading to less resource to deliver those services. As a Committee with a lot of operational responsibilities, the budgetary pressure accumulates year on year, as the inflationary increase allocated through the budget invariably falls short of real-world inflation, meaning that contracts have to be squeezed to extract ever more value for money, and services need to be cut back. This does lead to discontent.

### Statutory requirements

As Guernsey's trade relationship with the UK and the EU continues to develop, the Bailiwick will continue to negotiate trade arrangements, particularly regarding the movements of animal, plant, and food goods. Local legislation will need to adapt to continue to preserve the status quo for SPS movements into the Bailiwick (whether from the UK, EU or beyond) and to maintain relatively free and frictionless movement of SPS goods into the UK and potentially Europe.

Implementation of the licensing regime required under the Animal Welfare Law will continue to be introduced in partnership with the community.

# The Committee *for* Health & Social Care

End of Term Report, March 2025



## Committee Mandate

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The purpose of the Committee for Health & Social Care (CfHSC or the Committee) is to protect, promote and improve the health and well-being of individuals and the community. It advises the States and develops and implements policies on matters relating to its purpose, including: adult social care; the welfare and protection of children, young people and their families; the prevention, diagnosis and treatment of acute and chronic diseases, illnesses and conditions; mental health; care of the elderly; health promotion; environmental health; and public health.

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# Operational service delivery

The CfHSC has a wide-ranging and complex mandate in relation to the delivery of health and social care services. There have been demand challenges across the board, and a general rise in the level of complexity, as people are living longer with multiple comorbidities. In addition, the number of individuals requiring highly complex care in off-Island placements has increased.

Activity during the 2020-2025 political term has been dominated by the need to respond to, and recover from, the global SARS-CoV-2 (COVID-19) pandemic. The pandemic significantly disrupted 'business as usual' activity for an extended period, with services needing to be agile to new ways of working and resources diverted, for a time, to deliver the COVID-19 vaccination and testing programmes.

There has been a series of investments into recovery initiatives that have had a noticeable impact on reducing waiting lists and the backlog incurred as a result of the pandemic. This includes the establishment of de Havilland Ward dedicated to elective orthopaedic procedures; an endoscopy initiative in gastroenterology, and in ophthalmology. Waiting times have also been considerably reduced in Radiology following an expansion in the service in 2021. In addition to bolstering on-island capacity, as it is the strong preference of service-users to receive care on-island where possible, the Committee has explored opportunities to commission off-island providers and to work more closely with the Government of Jersey. Securing the funds and resources to deliver additional waiting list initiatives to further reduce waiting lists remains a challenge.

In a post-COVID environment, the national and international context for the recruitment and retention of health and social care staff has changed and the Bailiwick has not been isolated from these challenges. The number of agency and other temporary staff has slowly decreased from a peak in 2022 with the conversion of some staff to permanent contracts, however, the delivery of core services—often on a 24 hours a day, 7 days a week, 365 days of the year basis—has resulted in staffing pressures. This continues to be exacerbated by the serious shortage of suitable and affordable accommodation both in the general housing market and for HSC staff, and the financial implications of this are significant **(see Income/ expenditure monitoring and budget management)**

Positively, there are an increasing number of 'grow your own' opportunities for individuals to train locally in a range of professions and some 'green shoots' in terms of permanent recruitment, such that the number of overall vacancies in HSC has reduced from over 400 vacancies to approximately 350 vacancies during 2024.



**The need to address the sustainability of the funding of long-term care is critical. Population demographics are such that a proactive, systems-wide response across government is needed to ensure that care and support services can meet the needs of older islanders. More broadly there is the need for system-wide reform of health and social care to maximise its sustainability in the future<sup>1</sup>, including how investments in prevention and early intervention can reduce the longer-term demands for hospital and care home beds over the next 10 to 20 years.**

Significant progress has been made to several transformation programmes in HSC and, together with the suite of policy and legislative workstreams set out in this report, they each lay important foundations for a more sustainable model for the delivery of health and social care services. Construction of the Phase 1 development at the Princess Elizabeth Hospital to provide a new Critical Care Unit and Post-Anaesthesia Care Unit has been completed and this will become operational towards the end of Q1/early Q2 of 2025. Work also continues at pace to realise the potential of the value engineering exercise ahead of developing an outline business case for Phase 2A. In addition, the Electronic Patient Record replacement is progressing well, with the TRAK system replacement 'Go Live' date anticipated in summer 2025.

In respect of Community Transformation, the development of 14 units of specialist housing at 'La Vieille Plage' is due for completion in mid-2025. Plans are also progressing for a redevelopment at the Raymond Falla House site to bring services together in a Children & Families Hub, which will facilitate the much welcome consolidation of sites and improved facilities for service-users and staff.

Other key highlights from an operational perspective have been the establishment of the Professional Alliance and embedding of the 'Compassion, Accountability, Respect and Excellence' (CARE) values framework throughout HSC; assurance as regards the provision of specialist mental health services; building relationships with colleagues in Jersey to identify opportunities for joint working; the development of a Workforce Strategy; renewed engagement with CareWatch, and the significant preparations underway to implement the Capacity Law, which will continue into 2025.

In addition, a significant amount of work has been completed, with the support of the Alderney Care Board and other key stakeholders, to stabilise health and care provision in Alderney.

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<sup>1</sup> Progress being made to the Strategic Portfolio for Sustainable Health and Care is reported separately. However, the key transformation programmes, together with the policy and legislative workstreams described in this report, have been prioritised in such a way so as to continue to lay the foundations for the Strategic Portfolio and delivery of the aims of the Partnership of Purpose.

# Statutory functions

Some of the functions of the Committee are governed by legislation, with legal requirements and certain functions carried out by officers responsible to, or on behalf of, the Committee. This section provides an overview of the most prominent functions: it is not intended to be exhaustive.

One of the Committee's most important statutory functions is that of corporate parent under the Children (Guernsey and Alderney) Law, 2008, and the Child Protection (Guernsey) Law, 1972, which involves providing the best possible care and safeguarding to children who are looked after through arrangements made by the CfHSC. When a care requirement has been made by the Child, Youth and Community Tribunal, the Committee is required to fulfil that requirement to provide care and to protect that child's safety, welfare and development.

The Child Protection (Guernsey) Law, 1972 sets out a number of functions for which the Committee is responsible, including the regulation of nurseries and child-minders, and the legal provisions relating to the provision of foster care. Some of these statutory powers are delegated to officers.

The Committee has statutory responsibilities set out in the Mental Health (Bailiwick of Guernsey) Law, 2010 which relate to the management and general supervision of establishments approved for treatment provision, and of the admission, treatment, care and detention to such establishments under the Law. The day to day running of these functions is delegated to operational staff within Specialist Mental Health Services.

The Office of Environmental Health & Pollution Regulation (OEHPR) is a statutory office established under The Environmental Pollution (Guernsey) Law, 2004. Its wide-ranging mandate is shared between the Committee *for the* Environment & Infrastructure and the CfHSC. Broadly, environmental health matters sit under the Committee, while the Committee *for the* Environment & Infrastructure is responsible for pollution regulation. The largest statutory function undertaken by the OEHPR on behalf of the Committee includes the management of registrations, licensing and permits for food establishments and tobacco retailers, including inspections to ascertain compliance with relevant statutory requirements. Where standards are not met, the OEHPR can take legal action on behalf of the Committee.

The Chief Pharmacist exercises an important regulatory role through appointment as Chief Inspector under the Medicines (Human and Veterinary) (Bailiwick of Guernsey) Law, 2008. The Chief Inspector is responsible for enforcing the provisions of the Law and its subordinate legislation to ensure the safe importation, manufacture, sale and supply of medicinal products in the Bailiwick.

The Medical Officer of Health has powers relating to various health, infectious disease and sanitary matters. These statutory powers are set out in the Loi Relative à la Santé Publique, 1934 (the Public Health Law) and its subordinate legislation and, although largely archaic, the powers were recently put to good use during the SARS-CoV-2 pandemic. It is acknowledged however, through Resolution of the States, that this legislation requires comprehensive review.

The Committee has responsibilities to regulate nursing and residential homes under the Nursing Home and Residential Homes (Guernsey) Law, 1976. This legislation will be repealed by provisions made under the recently passed Regulation of Care (Enabling Provisions) (Bailiwick of Guernsey) Law, 2024, and, upon enactment, the Committee's responsibilities will be replaced through the establishment of an independent commission to regulate health and care services.

The appointment of the Responsible Officer is made by the States, on the recommendation of the CfHSC, under the Regulation of Health Professions (Medical Practitioners) (Guernsey and Alderney) Ordinance, 2015. The Responsible Officer was re-appointed in 2021 for a period of five years.

The Responsible Officer oversees the regulation of doctors in Guernsey and Alderney through an annual appraisal programme. If the Responsible Officer is satisfied that a doctor meets the requirements to continue practising medicine, they will make a recommendation to the General Medical Council (GMC) to that effect every five years as part of that doctor's revalidation with the GMC. The Responsible Officer is similarly responsible for managing concerns relating to fitness to practice and has statutory powers to impose conditions on a doctor's practice. Where necessary, the Responsible Officer will refer a doctor to the GMC for formal investigation. The Responsible Officer is subject to the same revalidation process, overseen by an independent Responsible Officer in the UK. There is also a requirement for the Responsible Officer to produce an annual report.



# Income/expenditure monitoring and budget management

The Health & Social Care budget has been challenged over the last five years by increasing service demands against the backdrop of a financially constrained States. The total budget was £235.6m in 2024 with the final expenditure £6.4m above this value at £242m due to a number of demand related pressures, including off island acute services. The budget for 2025, before pay settlements, is £245.2m, including 2,291 full time equivalent staff. Demand pressures will continue to challenge the budget as demographic and other underlying factors continue to impact Guernsey and the World at large.

The staff-related pressures have driven recurring pay cost overspends in recent years due to the cost of cover (agency workers and overtime) being higher than the budgeted baseline.

The tables below focus on the Agenda for Change group which represents 70% of the total establishment across Health & Social Care services, including all nurses. The financials and Full-time Equivalent (FTE) in combination reflect an increased investment in front-line staff over the period since emerging from the pandemic in 2021, with increasing demands across the majority of services. The financial challenge of covering vacancies through agency and overtime has progressively reduced since the 2022 peak and it is notable that the overall FTE is within budget, but still with an underlying price differential. Efforts to mitigate expenditure since 2022 have included a weekly position review 'challenge' process, improved recruitment (including the conversion of agency workers) and a focus on at least maintaining agency worker hourly rates.

£m	2020	2021	2022	2023	2024 (forecast)
<b>Budget</b>	<b>£61.2</b>	<b>£68.9</b>	<b>£78.0</b>	<b>£88.3</b>	<b>£95.7</b>
Standard Pay	£54.5	£62.8	£66.8	£71.8	£81.6
Overtime Pay	£3.3	£4.3	£4.5	£5.8	£6.4
Agency Costs	£4.8	£4.6	£12.4	£14.2	£10.3
<b>Total Costs</b>	<b>£62.6</b>	<b>£71.7</b>	<b>£83.7</b>	<b>£91.8</b>	<b>£98.3</b>
<b>Total Variance</b>	<b>(£1.4)</b>	<b>(£2.8)</b>	<b>(£5.8)</b>	<b>(£3.4)</b>	<b>(£2.6)</b>

FTEs	2020	2021	2022	2023	2024 (forecast)
<b>Budget</b>	<b>1,191</b>	<b>1,305</b>	<b>1,402</b>	<b>1,514</b>	<b>1,552</b>
Standard Pay	1,052	1,171	1,138	1,167	1,276
Overtime Pay	57	79	84	84	101
Agency Costs	85	77	156	188	136
<b>Total Costs</b>	<b>1,194</b>	<b>1,327</b>	<b>1,378</b>	<b>1,439</b>	<b>1,513</b>
<b>Total Variance</b>	<b>(3)</b>	<b>(22)</b>	<b>24</b>	<b>75</b>	<b>39</b>

Looking at 2024 pressures and how they are likely to provide challenges in 2025, there are undoubtedly going to be continuing pressures to manage and mitigate even with additional funding provision in place. In terms of the core challenges from 2024, the following action-focused update is relevant:

- **Agenda for Change:** Focus on reducing the underlying monthly cost pressure of between £0.2m and £0.3m through investigation into the adoption of e-rostering, new agency worker frameworks to offer cost efficiencies, continued management of sickness and other absence and the management of increment point cost challenges.
- **Off-Island Acute:** The 2024 forecast overspend of £3m includes a budget baseline deficiency that will be part resolved through the allocation of £1.8m of additional funding in 2025, but an enhanced review of expenditure patterns by specialty will also increase visibility and active consideration of whether On-Island provision might be more cost effective for certain specialties.
- **Off-Island Complex:** Additional funding for 2025 of £0.9m for complex cases will mitigate some 2024 pressures, but with a material cost exposure of approximately £1m relating to new cases that may or may not continue across 2025. Separate reporting will be introduced on a quarterly basis to help to (sensitively) educate and inform, whilst workstreams investigate alternative models for care delivery, including for Children through the Special Educational Needs and Disabilities (SEND) Alliance.
- **Income generation:** Income performance in 2024 is expected to outperform budget by £2m, so partially mitigating the material pressures experienced in 2024. Potential new income streams will continue to be explored in 2025, including to inform the next steps in the development of Phase 2 of the Our Hospital Modernisation Programme.

## Risk assurance

Following the COVID-19 pandemic, HSC reinvigorated its risk, business continuity, and emergency preparedness, resilience, and response arrangements.

A dedicated “HSC Resilience Officer” was recruited to a new role that incorporated responsibility for risk, business continuity and emergency preparedness, resilience, and response. HSC also works closely with the States of Guernsey emergency planning team.

Risk assurance management and business continuity management conforms with States of Guernsey corporate procedures.



Urgent issues are dealt with as they arise, new risks are reviewed prior to registration and risk is escalated through the Corporate Management Team to the Strategic Leadership Team where required.

Business continuity arrangements have been regularly tested, primarily during information and technology, and electrical infrastructure upgrades and incidents.

In Community Services, the major incident response conforms with the joint emergency service interoperability principals and a pathway to deliver hospital major incident medical management and support has been established for services operating out of the acute hospitals.

## Compliance with international agreements and conventions

During this political term, the Committee has input into reporting and/or dialogue sessions for the following international conventions:

- International Labour Organization (ILO) reports (annual)
- UN Convention on the Rights of the Child (UNCRC) (reporting end of 2022 for dialogue in May 2023)
- UN Universal Periodic Review (UN UPR) (March 2023)
- UN Convention against Torture (UNCAT) (March 2023)
- UN International Covenant on Civil and Political Rights (UN ICCPR) (December 2023)
- UN Convention on the Elimination of Racial Discrimination (UN CERD) (August 2024)
- UN International Covenant on Economic, Social and Cultural Rights (UN ICESCR) (reporting September 2023, dialogue in early 2025)

This is in addition to reporting done by Public Health on international instruments such as the International Health Regulations (IHRs) and the Framework Convention on Tobacco Control (FCTC).

The Committee is currently working alongside the other Crown Dependencies and the UK to determine whether to accept, reject or reserve against any amendments to the IHRs, and then implement any that are accepted thereafter. There is a requirement to decide which amendments to the IHRs to take forward by 19th July 2025, and to then

implement those amendments by 19th September 2025, and work continues with the UK to understand the implications of the amendments upon the Bailiwick. This is taking place alongside the work to negotiate a Pandemic Accord, and officers from HSC continue to engage with that process in collaboration with officers from the Policy & Resources Committee as the World Health Organization aims for agreement of an Accord in May 2025.

## Parliamentary business

A summary of the number of parliamentary questions received during this political term is provided below:

	2020 (Oct Onwards)	2021	2022	2023	2024
<b>Rule 11 questions</b>	1 question in 1 set	27 questions in 10 sets	16 questions in 6 sets	10 questions in 4 sets	10 questions in 5 sets
<b>Rule 14 questions</b>	0	77 questions in 9 sets	58 questions in 13 sets	61 questions in 9 sets	70 questions in 12 sets
<b>Freedom of information requests</b>	3	23	13	19	21

There has been a significant increase in the number of parliamentary questions posed to the Committee this term compared to previous years.

In line with the Rules of Procedures for the States of Deliberation and their Committees, regular update statements have been provided to the Assembly and there have been several extraordinary statements given to the Assembly in relation to the progress of key programmes of transformation. The Committee has also responded to questions posed by Deputies not answered during the meeting.

## Maintain legislation

The CfHSC has prioritised the review of several pieces of existing legislation and made recommendations for new legislation to the Assembly. Furthermore, as part of a concerted effort to ensure that legislative changes agreed during previous political terms were brought to a successful conclusion, it has also progressed the implementation of changes to legislation, as follows:

## Legislative arrangements relating to the regulatory status of COVID-19 vaccines (completed)

During the SARS-CoV-2 pandemic, the Prescription Only Medicines (Bailiwick of Guernsey) Ordinance, 2009 was amended to recognise temporary authorisations issued to COVID-19 vaccines by the Medicines and Healthcare products Regulatory Agency (MHRA) under Regulation 174 of the Human Medicines Regulations 2012. The CfHSC was required to make multiple Regulations to designate the Pfizer-BioNTech, AstraZeneca and Moderna vaccines for use in vaccination or immunisation against the coronavirus. Further Regulations were made to ‘undesignate’ those vaccines when they received a full marketing authorisation from the MHRA.

## Implementation of the Capacity (Bailiwick of Guernsey) Law, 2020 (part-completed, ongoing)

Progress has been made in several key areas:

- **Lasting Powers of Attorney (LPA)** – The Capacity (Lasting Powers of Attorney) (Bailiwick of Guernsey) Ordinance, 2022 came into effect from 1st April 2022, giving effect to Part 4 of the Capacity Law and allowing individuals to make an LPA to plan for a time when they may no longer have capacity.
- Implementation of the remaining parts of the Law, particularly relating to the **Protective Authorisation Scheme**, continues. A phased approach has been agreed where parts 5 and 6 (Advanced Decisions to Refuse Treatment and Advance Care Plans) will be commenced first, with the remaining parts to be introduced next political term.
- **Formation of an adult advocacy service** – As this will be a requirement of the Capacity Law, work has continued to develop an adult advocacy service in partnership with the Third Sector. This will provide an Independent Capacity Representative to support to an individual if they do not have family or friends to assist them.

## Review of the Children (Guernsey and Alderney) Law, 2008 – Phase 1 (part-completed, ongoing)

Amendments to the Children Law, as agreed by the States in 2022, are expected to be presented to the Assembly for approval this political term. The aim of the amendments is to reduce delay and duplication in systems and processes affecting children and their families. There remains a substantial amount of policy development and legislative work to update and introduce secondary legislation to strengthen areas of practice, which will continue to be a priority next term.

### Regulation of Care Law (part-completed, ongoing)

A key milestone in establishing a new model of care regulation, approved by the States as part of the Partnership of Purpose, was receiving States' approval of the Regulation of Care (Enabling Provisions) (Bailiwick of Guernsey) Law, 2024 in September 2024. The next stages of work, to continue during the next political term, will focus on specific areas of secondary legislation made under the enabling law to establish the regulatory model and take a risk-based approach to the introduction of standards that will regulate health and care provision and professionals.

### Reform of Healthcare Funding - legislative changes (completed)

Following the transfer of various health benefit functions from the Committee for Employment & Social Security to the CfHSC with effect from 1st January 2022, the Committee has been required to make Regulations for a number of matters including the annual review of prescription charges, among other things.

On an ongoing basis, this means that the Committee has assumed responsibility for all matters relating to the administration of Health Benefit, including arrangements with community pharmacies, the functions of the Prescribing Support Unit, including prescriptions and prescription charges, the provision of free contraception for under 21s, funding for off-Island patient travel, including travel allowance grants and the means-tested travel expenses assistance scheme, and various secondary health grants. The legislative changes also created the statutory role of Health Administrator to determine any claims for pharmaceutical benefits, the only benefits now remaining governed by legislation.

### Introduction of 'opt out' arrangements for organ donation (completed)

The Human Tissue and Transplantation (Bailiwick of Guernsey) Law, 2020 came into effect on 1st January 2023. This law repealed the archaic Human Tissue (Bailiwick of Guernsey) Law, 1981, introducing instead a 'soft' opt-out model of consent for organ donation in the Islands. The subordinate legislation to operationalise the law, including an Ordinance prohibiting the transplantation of certain human tissue and organs under deemed consent, and Regulations and a Code of Practice setting out the requirements for establishing consent, was drafted and approved by the States during 2022.

### Abortion Law (completed)

The legislation fulfilling the States' direction from July 2020 to amend the Abortion (Guernsey) Law, 1997 was drafted during 2021 and came into force on 2nd February 2022. In addition to the amendments to the primary law, the Committee made Regulations updating the notification requirements that must be made when an abortion procedure is undertaken, in line with the principles of The Data Protection (Bailiwick of Guernsey) Law, 2017.

The Committee has also progressed several developments in legislation, which underpin the delivery of the Combined Substance Use Strategy, including fulfilling Resolutions arising from the Tobacco Control Strategy for Guernsey and Alderney 2015-2020, as follows:

### To prohibit smoking in cars carrying children (completed)

This legislation has made it a criminal offence for a person to smoke a tobacco product in an enclosed motor vehicle carrying a child, together with the introduction of fixed penalty notices, and came into effect from 1st November 2024.

### The introduction of an enabling Law to regulate vapes (part-completed, ongoing)

In November 2024, the States approved the enabling law that will establish a framework to legally define and regulate vapes. The Committee is prioritising the drafting of secondary legislation that will move to prohibit the sale of vapes to children, introduce advertising restrictions, establish a retail licence scheme and ban the sale of disposable vapes. At the time of writing, it is intended that the secondary legislation will be presented to the States before the end of the current political term.

### Plain packaging of tobacco (completed)

The Committee, working with the Government of Jersey, made Regulations in 2021 to implement plain packaging of tobacco products – that is, the replacement of tobacco branding with standardised packaging containing large pictorial and written health warnings. The Regulations came into force in July 2022.





In addition to the above, policy development has progressed in the following areas:

### Recommendations for changes to the Prescription-Only Medicines Ordinance

The Committee has prepared a policy letter to ask the States to agree that it may make provisions related to prescription-only medicines by Regulations of the Committee (rather than by Ordinance of the States). If agreed, this will allow the Committee to respond to changing clinical practice in a timelier manner. The policy letter will be published for debate in early 2025.

### Review of Adoption Law

A range of previously outstanding policy matters have been addressed that will help to finalise a new Adoption Law. As the changes to the Children Law have taken priority for legislative drafting, this work will continue during the next political term. A supplementary policy letter has been drafted to clarify certain aspects and address anticipated resource needs.

### Private fostering

The necessary policy work has been completed in liaison with operational teams to draft a policy letter seeking to modernise legislation for private fostering. It is expected that the policy letter will be presented to the Assembly early in the next political term. Legislative drafting support will subsequently be required from St James Chambers to prepare a revised Ordinance.



Moving forward, the Committee has highlighted the need for resources to be in place to support the regular review/updating of its major pieces of legislation, and to evaluate the need for new provisions where no legislation is currently in place.

## Discharge Resolutions

In addition to the legislative work above, the CfHSC has discharged a number of further Resolutions this political term, including:

### Reciprocal Health Arrangement (RHA) with the UK:

- In collaboration with the Policy & Resources Committee, the Committee supported the negotiations with the UK to agree and deliver an RHA with the UK that allows Bailiwick residents to access necessary treatment in the UK for free, and vice versa.
- The negotiating principles were agreed by the States in July 2022, before the arrangement was signed in October 2022 coming into effect on 1st January 2023. HSC subsequently operationalised the agreement and it has been working effectively since that date.
- The arrangement also ensures that 'pre-authorised treatment' (i.e. off-Island referrals for care) cannot be provided at a cost greater than that which would be given to a UK resident.

### Review of Funding of Drugs, Treatments and Devices (NICE TAs):

The Committee has discharged several Resolutions relating to the implementation of NICE TAs, following decisions of the Assembly in 2020, specifically:

- NICE TA drugs and treatments with an ICER value up to £30,000 were implemented during 2021, and those treatments with an ICER value up to £40,000 were implemented in 2022 (continuing during 2023 and 2024); and
- The Committee carried out a further detailed evaluation and reported back to the States in November 2024 the findings of an independent review of the implementation in 2021 and 2022, making recommendations for future funding.

In considering this policy letter, the States reaffirmed its earlier decision, in principle, to adopt on a non-statutory basis, a policy of funding drugs and treatments in receipt of a NICE Technology Appraisal TA and to do so in a staged way. It has also directed the Committee to update the States as part of future Budget reports on the anticipated cost of NICE TAs for the forthcoming financial year, including any additional operational expenses required to implement the programme.

## The Children and Young People's Plan 2023-2026 (CYPP):

A full refresh of the CYPP was completed in 2023 as a cross-Committee piece of work setting out how the States and partner agencies will support children and families across the Bailiwick.

A mid-point refresh is being prepared to ensure that the CYPP remains a 'living document' and addresses emerging priorities. This will be published in early 2025.



In addition to those extant Resolutions from the Partnership of Purpose that are incorporated into the Strategic Portfolio for Sustainable Health and Care report<sup>2</sup>, there remain some other Resolutions that have yet to be discharged. They are highlighted below for further progression in the next political term:

- Working with the Policy & Resources Committee and the Committee for Employment & Social Security to progress the Supported Living and Ageing Well Strategy. Redefining the model and funding of long-term care will be essential to HSC to better manage service demands which impact on acute and community care provision.

<sup>2</sup> Refer to the accompanying report on the Strategic Portfolio for Sustainable Health and Care for a full explanation of future work.

- A review of the Loi Relative à la Santé Publique, 1934 (Public Health legislation), including Resolutions to draft a new Public Health (Enabling Provisions) Law, subsequent Ordinances relating to public health issues, and to review the role and purpose of the Medical Officer of Health – this was previously identified in the GWP as being deferred to the next political term.
- Review the legal status of cannabis – this was previously identified in the GWP as being deferred to the next political term.
- Review of end-of-life care – this was previously identified in the GWP as being deferred to the next political term.
- Review of the Childcare Ordinance for the regulation of childminders and daycare providers.

Other work will include:

- Continue to progress work to reduce the diversion of controlled drugs.
- Review the criteria for access privileges to HSC services – this is required in 2025.
- Review of the Medicines (Human and Veterinary) (Bailiwick of Guernsey) Law, 2008 – this was previously identified in the GWP as being deferred to the next political term.
- Consideration of proposals for the introduction of allergen regulation – this work is being led by the Office of Environmental Health & Pollution Regulation and could be achieved through Regulations made by the Committee (subject to legislative drafting resources being available).
- Continue to support the work of the Alderney Care Board.

The Committee may also need to input into review of death legislation, being led by HM Procureur and in respect of modernising the birth registration legislation being progressed by the Policy & Resources Committee, particularly if the latter requires an amendment to the Children (Guernsey and Alderney) Law, 2008.

# Current Pressures

## Responding to external drivers

- **COVID-19 pandemic**

In 2024, an updated Pandemic Framework for the Bailiwick was developed. This provides an overarching framework for the Bailiwick's pandemic response and considered our preparedness, response, and resilience strategies to a future pandemic, irrespective of the causative agent (a change from previous approaches that focused on influenza), and whether it is a known or novel pathogen. This document also considers a pandemic response in the context of a geographically isolated location with finite health and care facilities making it relevant to the Bailiwick of Guernsey. Lessons learned from the management of the Coronavirus disease 2019 (COVID-19) pandemic in the Bailiwick have been put into this Framework.

The Health Protection Forum was established in 2018 and has proven to be an effective multidisciplinary platform for discussing local health protection issues within the Bailiwick, whilst also assessing potential local, national and international risks and their possible impact on public health. Representation in this group includes Public Health, Primary Care, Secondary Care, Acute Services, Community Services, Environmental Health, Microbiology, Emergency Planning and the States Veterinary Officer. This group are able to assess a variety of infectious and non-infectious risks to the Bailiwick.

- **Evaluating the risks from a nuclear incident**

One of the non-infectious risks considered was the risk from a nuclear incident in the proximity of the Bailiwick of Guernsey, which was last considered in 1997. Working in collaboration with the Government of Jersey, an updated report was completed in 2024. This considered:

- The risk arising from the nuclear waste processing plant at Orano la Hague;
- The risk arising from the two pressurised water reactors and single European Pressurised Reactor at the Flamanville Nuclear Power Station;
- The risk associated with the historic disposal of radioactive waste in the sea northwest of Guernsey (the Hurd Deep site); and
- The risk associated with the marine transport of nuclear waste adjacent or through the territorial waters of the Bailiwicks of Guernsey and Jersey.



This report was important in assessing our risk of, and response to, a nuclear accident. The scenario examined mapped a 'worst-case scenario' which indicated that a nuclear accident was extremely unlikely to happen and that the most important risk reduction for us was to 'shelter in place' if this were to happen. The Committee is grateful to the UK Health Security Agency (UKHSA) for conducting this review as this now forms a critical part of our future emergency planning response.

- **Known operational challenges**

**There were a number of growing challenges operationally in 2024, which has seen an increase in demand and activity in adult safeguarding, harmful sexual behaviour amongst young people and referrals of young people into the Multi-Agency Safeguarding Hub (MASH). These are expected to continue into 2025. Furthermore, despite several additional investments, waiting lists for treatments also continue to be higher than before the pandemic. The unpredictable nature of health and care, and the need to respond to needs as they present themselves, makes planning and budgeting for referrals for off-Island care particularly challenging. It is also anticipated that recruitment challenges will persist for health and social care roles, with a continued reliance on agency staff to deliver core services.**

The Committee has continued to strengthen arrangements relating to safeguarding, including allocating additional resources to a part-time 'Speak Up Guardian' role. It has also welcomed the appointment of a Director of Quality, Safety, Improvement and Safeguarding in Policy & Resources to provide additional independent oversight and assurance.

**Over the last 12-18 months, the Committee has, with the support of the Committee for Home Affairs and officers represented on the Misuse of Drugs Advisory Group, prioritised an appraisal into the steps that can be taken to reduce the diversion of controlled drugs. Progressing the agreed implementation plan in this area will continue to be a priority for officers.**

- **Key Worker Housing**

The Committee have repeatedly emphasised the urgency for additional key worker housing. The impact of the delay in the delivery of vital key work accommodation intended to support recruitment and retention across Health & Social Care remains a significant ongoing pressure that continues to have a very real financial impact on the ability of HSC to deliver core services.

- **Extant Strategies and policies**

A core part of the Committee's mandate is the ongoing delivery of key strategies that seek to improve the health and wellbeing of the community.

In 2023, the CfHSC published the Mental Health and Wellbeing Strategy 2023–2029. The development of this strategy was supported by a multidisciplinary technical team consisting of representatives from Primary Care, Specialist Mental Health Services, Primary Care Mental Health and Wellbeing Services (Healthy Minds), the Third Sector (Guernsey Mind), Education, Law Enforcement and Public Health Services. This blend of cross-Committee working, together with engagement with the private and Third Sector is central to the vision of delivering a ‘whole Islands’ focus on health and wellbeing.

The Combined Substance Use Strategy for Guernsey and Alderney 2021-2026 (Drugs, Alcohol and Tobacco) continues to be delivered in partnership with the Health Improvement Commission. In addition to focusing on the policy and legislative developments in relation to smoking in cars carrying children and the regulation of vapes, the Strategy has adapted to consider how we can deal with emerging areas of concerns. This has included work on education and services with regard to vaping. Future work will include a review of Minimum Unit Pricing.

The Healthy Weight Strategy was refreshed in 2023 and published in November 2023 as the Healthier Weight Strategy. The change of name focused on the improvements in health that can be achieved in individuals who achieve a reduction in weight, even where this is not the end point of the individual’s weight loss journey. The pillars of the strategy include a range of evidence-based actions which aim to contribute to a whole system approach, with a strong focus on prevention of excess weight through the creation of healthier environments as well as improving access to effective weight management services.

The Reproductive Health Strategy for Guernsey and Alderney is currently being updated, again with support and input from a multidisciplinary technical team. This has taken into consideration a rising rate of sexually transmitted infections globally, in the UK and locally; changes in the way sexual health services are accessed and delivered; and rapidly changing sexual behaviours and trends. Again, our close working relationship with our Third Sector partner, Choices, has been invaluable in updating this strategy.

In 2024, the Health Improvement Commission, supported by Public Health Services, produced an evaluation of Bailiwick Social Prescribing (BSP), which has been run as a pilot scheme since its inception five years ago. The evaluation presented a strong case for continuation of BSP beyond the pilot period as the scheme makes important and unique contributions to a prevention-oriented and sustainable local healthcare system to support people’s health and wellbeing, and to the non-medical social factors that shape health. In addition, it was strongly endorsed by stakeholders and GPs. From 2025 the CfHSC has supported the embedding of BSP into the local health and care offer.

- **Statutory requirements**

**As described in section 3 above, there are a range of statutory requirements associated with the delivery of the mandate of the CfHSC, which will continue into the next political term.**

# The Committee *for* Home Affairs

End of Term Report, March 2025





## Committee Mandate

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The purpose of the Committee *for* Home Affairs (the Committee) is to support a high standard of living and quality of life by maintaining and promoting a safe, stable and equitable society which values public protection and justice and respects the rights, responsibilities and potential of every person. It advises the States and develops and implements policies on matters relating to its purpose, including: crime prevention; law enforcement, including policing and customs; justice policy; the association between justice and social policy, for example domestic abuse and the misuse of drugs and alcohol; the population management regime; immigration regime; imprisonment, parole, probation and rehabilitation; fire, rescue and salvage; consumer protection and advice; trading standards; data protection; emergency planning; civil defence; lotteries and gambling; and the electoral roll.

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# Operational service delivery and statutory functions

The Committee's mandated responsibilities include oversight of the delivery of a number of operational services as set out below.

These Services assist to support a high standard of living and quality of life by maintaining and promoting a safe, stable and equitable society which values public protection and justice and respects the rights, responsibilities and potential of every person.

Given that the majority of the Committee's mandated responsibilities are established by legislation, operational services are delivered in accordance with the relevant statutory provisions for each service area. The following list summarises the responsibilities of the individual services and identifies some of the key legislative provisions governing each service area:

## Bailiwick Law Enforcement

Bailiwick Law Enforcement (BLE) is comprised of Guernsey Police and the Guernsey Border Agency (GBA) — which includes Customs & Excise and Immigration & Nationality, and has operated under a single Head of Law Enforcement since 2013.

Both the Guernsey Police and the GBA operate pursuant to their obligations set out in the relevant criminal justice and customs and immigration legislation. The Chief Officer of Police and the Chief Officer of Customs and Excise are statutory roles.

Guernsey Police, operating under [Loi ayant à la Police Salariée pour l'Île entière, 1920](#), provide both frontline uniformed officers and civilian staff to deal with a wide range of incidents including but not limited to responding to emergency calls, investigating serious and complex crimes and providing education in schools across the Bailiwick.

The Committee also oversees statutory reporting requirements in respect of the Police Complaints Commission Annual Reports where there is a requirement within the relevant legislation for them to be submitted to the States.

The GBA's work across their divisions include controlling the movement of goods, safeguarding revenue collection, collecting duties and taxes on trade, providing a secure border, facilitating the effective movement of people whilst protecting the Common Travel Area and the issuance of passports.

Customs and Excise operate under [The Customs and Excise \(General Provisions\) \(Bailiwick of Guernsey\) Law, 1972](#).



The Immigration and Nationality Service delivers its statutory functions in accordance with the Guernsey Immigration Rules which make provision as to the practice to be followed in the administration of the Immigration Acts 1971, 1988, 1999, as extended to the Bailiwick of Guernsey.

These Rules regulate entry into and the stay in the Bailiwick of Guernsey of Commonwealth citizens, British protected persons, nationals of Member States of the European Economic Area and Switzerland, nationals of foreign states outside the European Economic Area and stateless persons.

The Rules are made by the Committee with the concurrence of His Excellency the Lieutenant Governor.

As a result of the Population and Immigration Policy Review agreed by the States in October 2022, the Committee has made considerable progress with the merger of the Immigration Service and Population Management Office to deliver a combined Population and Immigration Service which will see improved resilience and sustainable service delivery, and improve outcomes for the service user which it intends to complete by the end of this political term.

### Economic and Financial Crime Bureau

The Economic and Financial Crime Bureau (EFCB) is an independently led law enforcement agency launched in June 2021 and is given its powers under the [Economic and Financial Crime Bureau and Financial Intelligence Unit \(Bailiwick of Guernsey\) Law, 2022](#). The EFCB investigates serious and complex economic crime including money laundering, terrorist and proliferation financing, and tax evasion.

### Financial Intelligence Unit

The Bailiwick of Guernsey Financial Intelligence Unit also operates under the provisions of the [Economic and Financial Crime Bureau and Financial Intelligence Unit \(Bailiwick of Guernsey\) Law, 2022](#), acting as the competent authority and national centre with the sole responsibility for the receipt, analysis, development and timely dissemination of Suspicious Activity Reports and other information filed by financial services businesses and non-financial services businesses pursuant to their obligations set out in The Disclosure (Bailiwick of Guernsey) Law, 2007, and The Terrorism and Crime (Bailiwick of Guernsey) Law, 2002.

## Population Management

Whilst Population Management and the Immigration Service have been brought together to deliver efficiencies, ensure resilience and improve the service user experience, statutory provisions are administered through distinct legislation. [The Population Management \(Guernsey\) Law, 2016](#) regulates the size and make-up of Guernsey's population. The Law is designed to make sure that the Island has the necessary skills and workforce to support the Island's economy and community now and also for the future.

The Committee has policy responsibility for the Population Management Law and oversees the operational delivery of the Population Management regime. The Administrator of Population Management is appointed by the Committee and is responsible for exercising the functions assigned under the Law.

The Assembly has committed to a review of the population policy by the end of 2027.

## Guernsey Prison

The Guernsey Prison operates under [The Prison \(Guernsey\) Ordinance, 2013](#). The Prison is equipped to hold remand and sentenced prisoners, males, females, young offenders, children and vulnerable prisoners with varying security categories, offences, and sentence lengths. The Prison aims to ensure public protection and commits to reduce re-offending, through providing a safe and secure environment that enables prisoners to address the causes of offending behaviour and provide them with values, skills and experience to take a positive role in the community upon release.

The Committee also oversees statutory reporting requirements in respect of the Prison Annual Reports where there is a requirement within the relevant legislation for them to be submitted to the States.

## Guernsey Probation Service

The Guernsey Probation Service operates under the [Probation \(Bailiwick of Guernsey\) Law, 2018](#). The Probation Service works to manage offenders, both within the community and Guernsey Prison. This is achieved by providing the Courts and Parole Review Committee with reports and detailed assessments, facilitating supervision and treatment of offenders, supporting the Criminal Justice Substance Service, and by working with other agencies to engage in Multi-Agency Public Protection Arrangements. Probation's priorities include protection of the public, reducing re-offending, ensuring offenders have an awareness of the effects of crime on victims and the public, and the rehabilitation of offenders.

## Guernsey Fire and Rescue Service (GFRS)

The GFRS operates under [The Fire Services \(Guernsey\) Law, 1989](#). The GFRS delivers all aspects of firefighting and fire prevention associated with a modern service protecting individuals and the infrastructure of the Island. The GFRS also provides blue light support by attending road traffic accidents and assisting property owners after storm damage, flooding and chemical incidents. The Service also has a significant role to play in the area of fire safety and educating the community. **The Fire Law has been prioritised for review next term.**

## Family Proceedings Advisory Service (FPAS)

FPAS is set up under [The Children \(Guernsey and Alderney\) Law, 2008](#). FPAS works for the Courts, independently of any other States Committee or agency, to safeguard and promote the interests of children and young people involved in Family Court proceedings and ensure that children's views are heard.

## Joint Emergency Services Control Centre (JESCC)

JESCC was established in 2015 to receive emergency calls (999) within the Bailiwick and control and dispatch the appropriate resources (from the emergency services and other supporting agencies) to respond and deal with the incidents being reported. The number of calls made to JESCC continues to rise steadily on an annual basis as the service plays its part in the Bailiwick's response to emergency incidents.

## Emergency Planning

The Committee has political oversight of emergency planning which assesses emergency planning preparedness and ensures the Bailiwick has the appropriate emergency plans in place and training/exercising is being carried out.

## Trading Standards

Trading Standards Service operates under the [Trading Standards \(Fair Trading\) \(Guernsey\) Ordinance, 2023](#). The Ordinance relates to consumer rights, unfair terms in consumer contracts, unfair commercial practices, information and cancellation rights, and rights regarding additional charges and product safety.

## Data Protection

The Committee is responsible for developing policy on data protection and the Data Protection (Bailiwick of Guernsey) Law, 2017 and the legislation that establishes the Office of the Data Protection Authority and its objectives.

In June 2022, the Committee commissioned an independent review assessing the [Data Protection \(Bailiwick of Guernsey\) Law, 2017](#), its application, and the infrastructure supporting its implementation. The review commenced in September 2022 with the final report presented to the Committee in May 2023.

The review found that the original policy drivers, which facilitate Guernsey's industry, population and government in complying with modern global data standards, allowing interaction at both a local and international level, are still relevant and supported. Further, whilst it acknowledged that the legislation could benefit from some attention to improve it, the Law does not require fundamental change, because it is broadly performing its original intended role.

The Committee monitors progress against an implementation plan which is ongoing.

The European Commission formally confirmed the Bailiwick of Guernsey's EU data adequacy status on 15th January 2024. The decision concludes that the Bailiwick of Guernsey's legislative framework ensures an adequate level of protection – comparable to that of the European Union – for the safe flow of data between the EU and the Bailiwick.

## Electoral Roll

The Committee is responsible for maintaining and compiling the electoral roll in accordance with [The Reform \(Guernsey\) Law, 1948](#).

The Committee's policy letter regarding the "Preparation of a new Electoral Roll" was approved by the Assembly in March 2024 in order to create a new Roll to support the delivery of the 2025 General Election.

Latterly, the Committee has prioritised work to allow appropriate access to the Electoral Roll to credit reference agencies to facilitate access to various banking services within the Bailiwick.

**The Committee is of the view that responsibility for compiling and maintaining the electoral roll is not one that sits comfortably with its safe and secure mandate and would support this responsibility moving to a different Committee. Indeed, the move to Island Wide Voting has resulted in a number of responsibilities falling away from the parishes and now being delivered by central government and there may be logic in one Committee taking on responsibility for this function.**

In addition to those functions listed above, Annex Two of the Committee's mandate also lists the following operational functions:

### The Disclosure and Barring Service and Vetting Unit / The Guernsey Vetting Bureau

The Guernsey Vetting Bureau (GVB) is a registered umbrella body which facilitates access to the Disclosure and Barring Service (DBS) in the UK. A key responsibility for the GVB is to empower local employers to make more informed and ultimately safer recruitment decisions, particularly where an occupation involves contact with children and adults who through circumstances could be considered to be vulnerable, or where a high degree of integrity for a role is required.

### Liquor Licensing

The Committee is responsible for processing Liquor Licence applications under the [Liquor Licensing Ordinance, 2006](#), supporting the applicant and the administrative processes in advance of the application being presented to the Royal Court for consideration.

Income generated by licence fees supports the Combined Substance Misuse Strategy. A review of the Liquor Licensing Ordinance is required to ensure the legislation continues to support the well-being of the community and aligns with current best practice; however such a review has not been prioritised under the Government Work Plan.

### Gambling

The Committee is responsible for the licensing, registration and regulation of gambling. This includes the processing of licences for bookmakers and betting offices, cinema racing, Crown and Anchor and private lotteries (raffles).

Gambling in Guernsey is regulated by a number of different pieces of legislation, the primary one being the [Gambling \(Guernsey\) Law, 1971](#). There are other specific Ordinances which relate to specific types of gambling.

### The registration and control of firearms

The Guernsey Police are the licensing authority for firearm and shotgun certificates as well as for firearms dealers within the Bailiwick in accordance with the [Firearms \(Guernsey\) Law, 1998](#). They undertake relevant checks and supervise applications and the certificates for firearms in addition to ensuring weapons are kept securely in appropriate storage facilities. The Bailiwick Law Enforcement Annual Reports list the numbers of firearms certificates issued within the Bailiwick.<sup>1</sup>

<sup>1</sup> [Bailiwick of Guernsey Law Enforcement Annual Report 2023](#)



## Independent Panels

The Committee is responsible for the oversight of a number of independent panels whose membership is made up of laypeople from a cross section of the community. The Panels are as follows:

- **Parole Review Committee (PRC)** The PRC is currently established under the [Parole Review Committee Law, 1989](#) and the [Parole Review Committee Ordinance, 1991](#). The PRC is an independent body, which has responsibility for considering applications for early release on parole, from prisoners serving a sentence of 15 months or more; and considering whether a recall of a prisoner is justified when compliance with licence conditions is not met.
- **Police Complaints Commission (PCC)** Established under The [Police Complaints \(Guernsey\) Law, 2008](#), the Commission provides independent oversight of the investigation of complaints made against the conduct of police officers in order to enhance public trust and confidence in the police and the complaints system as a whole.
- **Independent Monitoring Panel (IMP)** This is a statutory panel established under the Prison (Guernsey) Ordinance, 2013. The IMP make unannounced visits to Guernsey Prison, providing independent oversight of the day-to-day operations of the Prison, prison conditions and the treatment of prisoners.
- **Independent Custody Visitors (ICV)** are a non-statutory panel that provide independent, impartial and objective oversight of the working of detention facilities, with particular regard to ensuring that persons detained are treated fairly and humanely and in accordance with [The Police Powers and Criminal Evidence \(Bailiwick of Guernsey\) Law, 2003](#) (PPACE) and its associated Codes of Practice.
- **Appropriate Adults (AA)** operate in accordance with the Police Powers and Criminal Evidence (Bailiwick of Guernsey) Law, 2003 Code of Practice which stipulates that an AA must be called to custody to support an individual detained in custody who:
  - is under 18 years of age.
  - has a mental health condition, learning difficulty, or disability, or,
  - is considered vulnerable and needs support to understand what is happening in either custody or court.

# Current pressures

## Responding to external drivers (eg: Ukraine war; post-Brexit; COVID; constitutional demands)

### Compliance with Financial Action Task Force (FATF) recommendations etc. upon which MONEYVAL evaluates

In the last four years, the Committee has undertaken a significant programme of work to progress workstreams aimed at combatting complex financial crime and meeting the Bailiwick's obligations to comply with the relevant international standards.

The Bailiwick Strategic Coordinating Forum, chaired by the President and supported by officers of the Committee, has been responsible for the oversight for the preparedness for the MONEYVAL evaluation and the Bailiwick's compliance with the FATF recommendations. This has involved the presentation of a number of policy letters to the Assembly including:

- Legislation Relating to the Investigation of Economic Crime ([Billet d'État XXIII, 24th November 2021](#))
- Legislation Relating to Financial Crime and Related Matters ([Billet d'État XXIII, 24th November 2021](#))
- Amendments to the Criminal Justice Framework ([Billet d'État XVII, 28th September 2022](#))
- A New Guernsey Anti-Money Laundering/Combating the Financing of Terrorism Forum ([Billet d'État XX, 23rd November, 2022](#))
- Amendments to Criminal Justice Legislation ([Billet d'État VII, 24th May 2023](#))
- Legislation on International Cooperation ([Billet d'État IX, 21st June 2023](#))

The policy letters have provided direction for the development of a significant programme of legislative change that has improved the Bailiwick's statutory response to tackling complex financial crime and the jurisdiction's ability to recover the proceeds of unlawful conduct using enhanced civil remedies. This legislation includes:

- The Economic & Financial Crime Bureau and Financial Intelligence Unit (BoG) Law, 2022
- The Forfeiture of Money, etc. in Civil Proceedings (BoG) (Amendment) Ordinance, 2022
- The Criminal Justice (Miscellaneous Amendments) (BoG) Ordinance, 2022
- The Criminal Justice (Defence Case Statements) (BoG) Ordinance, 2023

- The Criminal Justice (Proceeds of Crime and Drug Trafficking) (BoG) (Amendment) Ordinance, 2023
- The Beneficial Ownership of Legal Persons (Guernsey) Law, 2017 (Amendment) Ordinance, 2023
- The Criminal Justice (Terrorism and Disclosure) (BoG) (Amendment) Ordinance, 2023
- The Prevention of Corruption (BoG) (Amendment) Law, 2023
- The Extradition (Crown Dependencies) (BoG) Ordinance, 2023
- The Criminal Justice (Proceeds of Crime and Drug Trafficking – Money Laundering, etc.) (BoG) (Amendment) Ordinance, 2023
- The Criminal Justice (Miscellaneous Amendments – Preventative Offences) (BoG) Ordinance, 2023
- The Forfeiture of Assets in Civil Proceedings (BoG) Law, 2023
- The Criminal Justice (International Co-Operation) (BoG) (Amendment) Ordinance, 2023
- The Criminal Justice (Miscellaneous Amendments – Deferred Prosecution Agreements) (BoG) Ordinance, 2023
- The Terrorism and Crime (BoG) (Amendment) (No.2) Ordinance, 2024

This legislation is in addition to the preparation of multiple Statutory Instruments.

A delivery framework and governance structure has been developed and implemented, and policies and strategies have been strengthened with the publication of a National Strategy and National Risk Assessment, the delivery of which will need sustained resources and inevitably require the preparation of further legislation.

The Bailiwick of Guernsey has achieved a highly successful outcome from its MONEYVAL evaluation into how it combats financial crime, comparing positively to most other jurisdictions. Securing such a positive outcome was a major priority for the Committee this political term, such is its importance to the continued prosperity of the Island's financial services sector. The MONEYVAL assessment of the Bailiwick started in 2023, with the comprehensive on-site visit by the MONEYVAL secretariat and evaluators as part of MONEYVAL's 5th round of evaluations concluding on 26 April 2024. The final evaluation report was received at the beginning of February 2025. The Bailiwick received pass ratings for six out of the 11 categories (Immediate Outcomes) by which its effectiveness in the area of anti-money laundering and combating the financing of terrorism (AML/CFT), as well as combating the financing of proliferation of weapons of mass destruction, was judged. Additionally, the Bailiwick is one of the few jurisdictions to pass all 40 recommendations around technical compliance. This secures the Bailiwick's position as one of the best, secure and safe jurisdictions in the world for financial services. The report provides the key findings and recommended actions which will need to be considered and addressed by the Bailiwick. The report recommendations will see considerable ongoing work and development of legislation.

The report will be used to develop a programme of work for operational delivery which will also need to be considered in terms of resource demands to support the continued and sustained delivery of the anti-financial crime framework as a business-as-usual activity.

Whilst the Committee's focus this term has been primarily on preparing for the evaluation, which forms part of its statutory reporting requirements, its commitment to global initiatives aimed at preventing and eliminating economic and financial crime and in keeping abreast of, and implementing, relevant international standards issued by the FATF is a standing 'business as usual' priority for the Committee and government.

A post-evaluation review has been sanctioned by the Head of the Public Service utilising Mourant Consultancy, to identify key learnings from the extensive preparatory work and sheer effort over a sustained period of time by all entities in advance of the on-site visit.

The report will be used to develop a programme of work for operational delivery which will also need to be considered in terms of resource demands to support the continued and sustained delivery of the anti-financial crime framework as a business-as-usual activity.

With a cyclical evaluation process, it will be essential that government continues to demonstrate its commitment to global initiatives aimed at preventing and eliminating economic and financial crime and implementing relevant international standards such as those issued by the FATF.

### Responding to operational impacts post-Brexit

**It is essential that we recognise that the withdrawal from the EU was not the end of a process, rather it marked the beginning of a complete reset of our relationship with jurisdictions across the world. It is the Government's ambition to be part of the Customs Union and Common Travel Area (CTA) and not only to enter but also fulfil Free Trade Agreements (FTAs), and the delivery end of government must be supported and resourced to deliver that.**

**Within the Committee the operational impacts post-Brexit have been most keenly felt in Immigration and Nationality, Customs & Excise and Borders Enforcement. These services are responsible for responding to the heightened scrutiny this jurisdiction now faces as a member of the Customs Union / FTAs including the CTA. As a consequence, there is a requirement for sustained investment in terms of resources, digital upgrades, legislation and technical expertise as well as the support and training of borders staff.**

<sup>2</sup> The Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

Necessary amendments have been made to customs legislation and policies following Brexit to fulfil the obligations of the Customs Union and FTAs. Recent amendments include the Methods of Valuation (Import Duty) (Amendment) Regulations, 2024 and the Customs (Rules of Origin: Claim Verification and Determination, and Record Keeping) Regulations, 2024. Such amendments have been required to demonstrate compliance with the Rules of Origin and Customs & Trade Facilitation Chapters of the CPTPP<sup>2</sup> and Gulf Cooperation Council and trade arrangements. In addition, a number of new procedures have also been implemented that previously were not required pre-Brexit.

Immigration & Nationality are concentrating on working with the UK in respect of the UK digitisation programme and biometric enrolment which, as a CTA member, the Bailiwick must align with.

**Work still to be progressed following Brexit includes the introduction of Electronic Travel Authorisation and VISA penalties, the consolidation of the Immigration Acts and a Review of Immigration Rules to ensure legislation is up to date with the UK.**

### Population and Immigration Policy Review

In October 2022, the Committee presented a comprehensive review of the Population and Immigration Policy (PIPR) to the Assembly as prioritised by the States through the Government Work Plan. The Committee has progressed a number of the resultant States Resolutions this term, including implementing a new combined population and immigration policy framework in 2023, the removal of Medium-Term Employment Permits and simplifying the two-year relevant experience requirement. The impact of the changes to the employment permit policy are being monitored to ensure that any unintended consequences of the regime change are managed. As referenced above, as a result of the PIPR, the Committee is nearing completion of the merger of the Immigration Service and Population Management to deliver a combined population and immigration service.

Changes to the Population and Immigration framework is only one of the workstreams agreed through the PIPR Policy Letter. Other Resolutions direct cross-Committee action to:

- increase the availability of housing;
- explore how the open market can be used as an economic enabler; and
- consider options to ensure those new to our community access public funds in a fair and transparent way, including the potential for a compulsory health care scheme.



## Review of Terrorism Legislation

Work has commenced on a comprehensive review of the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002, identifying any key weaknesses in the Bailiwick's existing legislative framework and drawing on comparisons with the much more comprehensive framework in the UK. This review extends beyond a comparison with the Terrorism Act 2006 which is the subject of a 2006 Resolution.

**The Committee has prioritised this work and it is anticipated that substantive reforms to existing legislation will be required which will include revocation and modification of the existing Resolution. This work should continue to be prioritised next term to work towards the enactment of new Bailiwick terrorism legislation.**

In addition to this, the Committee has prioritised two discrete amendments which have been identified by Bailiwick Law Enforcement and are necessary due to their operational impact. The changes relate to lowering the rank of officer required to review the detention of a person at a port and provisions to permit terrorism examinations to be carried out at a location other than the point of entry.

## Cyber security

Cyberattacks are the modern form of economic and political warfare. Our interconnected lives mean that an attack on a system or organisation anywhere in the world can have an immediate impact with significant global repercussions.

The Committee considers the ongoing work on cyber security is a priority and recognises that investment in cyber and telecoms security is critical to ensure that Guernsey continues to be a stable, secure and attractive place to live and do business, in the rapidly evolving world of increased digitisation, connectivity and the need to be able to take advantage of advances in the availability and use of technology.

**The principal current cyber security activity is the creation of a Guernsey Cyber Security Centre (GCSC), it is anticipated that the GCSC will formally commence during 2025.**

This will improve our Bailiwick cyber resilience, provide parity with the other Crown Dependencies and support the wider delivery of GWP initiatives by ensuring data security.

## Telecoms security

The Committee has progressed work on telecoms security and this will need to continue to be prioritised during the next political term. The focus is to create an overarching framework for legislation and regulation associated with digital and electronic communications security and resilience. The initial core activity is the creation of telecommunications security legislation and regulation and work on this activity is underway.

## Online safety

The UK Online Safety Act received Royal Assent in October 2023. This Act will make social media companies legally responsible for keeping children and young people safe online. In September 2023, the Committee agreed to seek a full permissive extent clause (PEC) be included in the Bill to allow the extension of the legislation to Guernsey.

The Act is being evaluated and analysed to understand which, or any, of the PEC should be extended to the Bailiwick. The intention is to use domestic legislation wherever possible and appropriate. This is being progressed as a cross-Committee initiative and work will continue next term.

## Extant strategies and policies

### Justice policy

Justice Policy goes to the very core of the Committee's mandate and it is essential that it continuously evolves to reflect changes in society. Successful justice policy can only be delivered through cross-Committee working, delivered in partnership with professional stakeholders, the judiciary, third sector partners and the public.

The Committee was pleased with the level of support that the Assembly afforded the Justice Framework when it was considered in the States in May 2022.

The Framework set out a number of guiding principles which the Committee has used to support the prioritisation and phasing of actions this term, focusing on initiatives which improve our criminal justice framework and outcomes for the community in delivering 'fit for purpose' public services.

Home Affairs' Services are demand driven and it is essential that the Committee provides the legislative tools which allow them to respond to emerging risks in order to keep the Bailiwick and our community safe; whether that is Import Orders which keep our borders secure or through updating dangerous driving legislation to keep road users safe. As a result, it is essential that the Committee's Action Plan has the ability to flex in order to support a responsive approach to service delivery. This does have the potential to impact on the delivery of strategic, longer-term initiatives.

The Committee has acknowledged the importance of balancing the ability to respond to today's needs with planning for the future to ensure that justice policy is sustainable, can respond to changing societal needs and can improve outcomes for future generations.

The delivery of justice policy cuts across Committee mandates, and often responsibilities and legislative levers which can contribute to keeping our Bailiwick community safe form part of other Committees' mandates. This term the Committee has sought to work collaboratively with the Committee *for* Health & Social Care in considering the issue of non-punitive approaches to small quantities of drugs and more recently the importance of tackling the diversion of prescription medications. The Committee has also been working with the Committee *for the* Environment & Infrastructure in considering road safety matters.

### Domestic Abuse & Sexual Violence Strategy

The Domestic Abuse & Sexual Violence Strategy 2022-2025 was approved by the States in September 2022. The Strategy seeks to maintain and enhance existing services and develop new initiatives which support survivors of domestic abuse and sexual violence. The Strategy seeks to reduce the prevalence of this social problem by providing a coordinated community response in the Bailiwick.

The broadened Strategy, which brings together domestic abuse and sexual violence, was a Committee priority from the beginning of this term. The delivery of key actions that underpin the Strategy include critical legislative improvements in the form of a new Domestic Abuse Law, establishing the Sexual Assault Referral Centre, further investment in existing services such as the Sarnia programme, and securing a long-term solution for those forced to leave their home as a result of abuse and seek refuge.

Delivery of these services is only possible because of the valuable work delivered by the Committee's third sector partners, Safer and the Victim Support & Witness Service. It is the experience, dedication and commitment of these organisations which mean that individuals receive the support they need at a time when they may be at their most vulnerable. Both services have played an instrumental role in the success of the Sexual Assault Referral Centre. It is essential that government continues to support these organisations and recognises the key role they fulfil within the justice system.

It is recognised that domestic abuse and sexual violence are crimes that are underreported and that more needs to be done to bring perpetrators to justice. Through the delivery of new legislation and services, the Committee has sought to highlight the issue and encourage a conversation, which it is hoped will see reporting and prosecution of these cases increase. The Committee has welcomed the opportunity to work with the founder of the new charity SafetyNet in promoting safety in the nighttime economy.

The Strategy champions the Committee's priority of addressing domestic abuse and sexual violence and the actions demonstrate its commitment to taking action that will make a real difference in our community. This work has been prioritised through the GWP and aligns with the principles and outcomes of the Justice Framework, in particular having justice responses that are proactive and preventative and a system that is accessible to all.

**The Committee has highlighted the importance of providing a voice for victims and survivors, ensuring that they can access support when they need it, and that the criminal justice system is equipped to bring offenders to justice. It will be critical that its successor Committee builds on these foundations.**

Throughout this term, the Committee has identified the need to improve data collection and analysis in order to support evidence-based decisions, inform policy and target resources in the areas of greatest need. The Committee has sought to tackle legacy IT systems which can hamper service delivery. Whilst significant progress has been made in some areas, such as Law Enforcement, further investment is needed in other areas. The Committee considers it critical that justice services have the tools in terms of legislation and physical infrastructure which will support the delivery of end-to-end justice services.

### Domestic abuse/violence legislation

The States Assembly approved the Domestic Abuse and Related Provisions (Bailiwick of Guernsey) Law, 2024 at its meeting on 23rd October 2024. The Law introduces new substantive primary legislation to criminalise domestic abuse and introduces measures to protect victims of domestic abuse and their families and reduce the risk of repeat offending. These aims are in line with the objectives of the Domestic Abuse & Sexual Violence Strategy for Guernsey and Alderney. Whilst the Law awaits Royal Assent, operational Services are receiving training and guidance is being put in place which will mean that when the States are in a position to enact the legislation, which may be a responsibility that is necessarily passed to the next Assembly, the provisions can be used to full effect.

A second tranche of work is being progressed which will result in a further policy letter with proposals for additional legislative protection and preventative measures. The legislative drafting to give effect to the resultant States Resolutions should be prioritised.



### Establish pilot Sexual Assault Referral Centre

As part of the Domestic Abuse & Sexual Violence Strategy, the Willow House Sexual Assault Referral Centre (SARC) was established as a three-year pilot scheme on 1st January 2024 when its full suite of services was launched, the helpline having launched on 1st October 2023. Next term there should be a focus on establishing the SARC as a permanent service, moving away from its current pilot status.

Following the Assembly's approval of the Committee's policy letter in October 2023, new primary legislation was enacted in order to allow the SARC to collect, store and destroy evidence collected as part of a forensic medical examination performed at the SARC in line with the wishes of the service user, giving them complete control and options about what happens.

### Sexual offences legislation

This term, the Committee has commenced The Sexual Offences (Bailiwick of Guernsey) Law, 2020 (the Sexual Offences Law) which came into force on 1st March 2022, with the exception of Chapters VIII (offences involving an abuse of a position of trust) and IX (offences by care workers against persons with a mental disorder), as further definitions are required to be made by Ordinance before these provisions can be commenced. The Committee has consulted with the relevant Principal Committees on a draft policy letter in respect of definitions relating to positions of trust to be made by Ordinance. Work to bring this legislation forward will continue next term.

In addition, the Committee has delivered two pieces of legislation which make technical amendments in relation to the Sexual Offences Law: [The Sexual Offences \(Transitional Provisions\) \(Bailiwick of Guernsey\) Ordinance, 2023](#) and [The Sexual Offences \(Miscellaneous Provisions\) \(Bailiwick of Guernsey\) Law, 2024](#).



## Discharge Resolutions

The Committee has worked at pace to discharge a significant number of Resolutions this term, including but not limited to:

- financial crime legislation in preparation for the MONEYVAL Evaluation;
- Brexit legislation;
- delivery of the Justice Framework;
- a new Domestic Abuse Law;
- a Sexual Assault Referral Centre Law to regulate the manner in which the SARC retains and discloses evidence and information emanating from clients, including from forensic medical examinations;
- a policy letter regarding amendments to modernise road traffic legislation in respect of hazardous driving, drink-driving and drug-driving. The resultant legislation will be presented to the Assembly before the end of this political term;
- four Ordinances relating to the implementation of the International Criminal Court Law, 2019, discharging an extant Resolution;
- an amendment to the Fixed Penalties Ordinance;
- technical amendments relating to the Sexual Offences Law;
- an amendment to the Police Powers and Criminal Evidence Law to introduce vicarious liability for police officers; and
- numerous Statutory Instruments ranging from amendments to the Immigration Rules to financial crime.

In addition, the Committee has progressed work on **extant Resolutions** concerning:

- **New Parole Law**

This term the Committee has progressed work in respect of implementing the new Parole Law in accordance with an extant Resolution. Work is ongoing and the Committee has directed the drafting of a supplementary policy letter.

- **Sale of knives to under-18s**

The Committee has prioritised work on a 2008 extant Resolution with the resultant draft legislation due to be submitted to the States before the end of this term which will therefore discharge the Resolution.

- **Vetting and barring**

Work has been ongoing with UK officials in respect of addressing a gap in their legislation regarding sharing information with the Bailiwick.

The Committee (with the agreement of the Guernsey Police Disclosure & Barring Unit (DBSU), acting on behalf of the Chief Officer of Police) has requested the UK Home Office to make amendments to its legislation in order to allow the DBS to provide information to the DBSU for example on individuals who are on the Barred Lists established by the Safeguarding Vulnerable Groups Act 2006, due to their risk towards children and/or vulnerable adults.

The amended provisions will then be extended by Order in Council to the Bailiwick of Guernsey. Progress with this work is dependent on the UK amending its legislation and until very recently it had not been a matter the UK were able to prioritise. However, the UK has now prioritised this amendment, and the Order in Council is now being progressed.

**A second phase of work relating to the wider workstream will be a review of the 2009 extant Resolution to consider changes that have been made to the UK system in the intervening period and what updates are required to Bailiwick legislation, including the introduction of relevant offences equivalent to the UK Safeguarding Vulnerable Groups Act. Local rehabilitation of offenders legislation will also be reviewed against the UK legislation as part of this workstream.**

## **Maintain legislation**

Much of the Committee's mandated responsibilities are based in legislation. This presents an added challenge when considering the resourcing of business as usual, including discharging extant Resolutions.

The Committee considers amendments to legislation as a result of responding to operational need or emerging risks, good practice reviews and discharging extant Resolutions.

**There are a number of key pieces of legislation that have been deferred for consideration during the next political term and it is essential that a programme of work is established to ensure these are progressed with the objective of having legislation which supports effective and efficient service delivery. The Committee is of the view that a Criminal Justice Legislative Development Programme, supported by the Law Officers of the Crown, would support the delivery of a programme of work which would:**

- respond at pace to emerging risks, whether reputational or public safety;
- deliver good practice reviews, including RIPL, PPACE, Fire Law, Police Law and sentencing policy;
- progress extant Resolutions; and
- identify and advise on the development of operational legislative requirements.

**The Committee recommends that the establishment of a Criminal Justice Legislative Development Programme is prioritised in the next term.**

### Good governance responsibilities

The Committee has responsibility to discharge its functions in line with the principles of good governance, as determined by the States of Deliberation and in accordance with the Rules of Procedure. Like other Committees this requires managing risk through prioritisation and responsible budget management.

There is a commitment to comply with international agreements and conventions to maintain the Bailiwick's reputation on a global stage. The Committee welcomes open dialogue with stakeholders and the community, and the scrutiny provided through parliamentary questions, Freedom of Information and subject access requests. However, particularly when requests are complex or voluminous, they inevitably place additional pressures on officers.

These responsibilities, whilst important, must not be prioritised to the detriment of the delivery of frontline services or mandated statutory responsibilities – it is often the case that these subject matter experts are required to advise on these matters. The Committee has identified the need to review the information that is published to ensure that information that is considered to be in public interest is readily available and accessible.

These requirements must be delivered in addition to frontline services, and ensuring that Guernsey remains an attractive place to live where the principles of justice are upheld will always be a political and operational priority for the Committee.

### Income/expenditure monitoring and budget management

The Committee has a budget of £41.3m. The Committee's operational services are responsible for the management of their own budgets for which the Committee has oversight. The Committee reviews its management accounts on a monthly basis with an annual review of its year-end accounts.

Throughout this term the Committee has challenged operational leads with reviewing established operating models and exploring innovative ways to deliver services without impacting on the delivery of safe and secure responsibilities.

In addition, in 2024, the Committee directed an internal review of the role of the Head of Law Enforcement led by the Committee's non-States Member, Advocate Peter Harwood. The review was conducted over a six-month period with the final report and recommendations being delivered to the Committee in early 2025. Consideration of the recommendations from that report and the impact on Bailiwick Law Enforcement's target operating model should be a priority next term.

The Committee's services are responsive, the demand for services is not something that can be easily curtailed. For the majority of the services provided, it is not possible to raise charges which could be used to offset costs or generate an income. In 2025, Bailiwick Law Enforcement has a budget allocation of £21m accounting for just over 50% of the Committee's budget allocation. This does not deliver a gold-plated service and requires the Head of Law Enforcement, who is operationally independent of the Committee, to constantly review pressures and risks to ensure resources are targeted to those areas that impact on the safety of the community. This is delivered in an environment where politically and publicly high standards are rightly expected.

Home Affairs Services are delivered by people, with pay accounting for **92.5%** of its budget. Reacting and responding to changes in statutory responsibilities or obligations is continuously monitored and Services are challenged to review operating practices and priorities to ensure that there is a focus on an efficient use of resources to deliver the Committee's safe and secure mandate.

### Risk assurance

Risk is managed at an operational level by individual service areas and reviewed by the Home Affairs Senior Leadership Team which escalates matters to the Committee as and when necessary.

The Committee has political responsibility for Emergency Planning, which reviews the risks featured on the Bailiwick Risk Register to drive emergency planning preparedness, including ensuring that the appropriate emergency plans are in place and training/ exercising is being carried out. The Emergency Planning Team report this to the Civil Contingencies Authority on, or before, 1st June each year.

### Parliamentary business

During this political term, at the time of writing, the Committee has responded to 11 Rule 11 Questions and 11 Rule 14 Questions under the Rules of Procedure. The questions posed reflect political and public interest at the time. Amongst others, topics have included questions on the Ukraine Scheme, the police complaints law, population management and immigration, pregnancy in prison and domestic abuse legislation. The Committee also received the following numbers of Freedom of Information requests this term: 9 in 2021; 7 in 2022; 17 in 2023, and 29 in 2024.

The Committee has welcomed the opportunity to make its biannual update Statements to the Assembly in accordance with Rule 10(4) throughout this political term.

The Committee firmly believes that governance around policy letters and amendments is of primary importance in ensuring that there are no unintended consequences from resultant States Resolutions and amendments. There are however occasions when it is necessary to seek to expedite matters through requests to the Presiding Officer to issue additional Billets d'État, pursuant to Rule 2(4) of the Rules of Procedure, or to request that policy letters and legislation are considered concurrently at the same States meeting, or to request the Policy & Resources Committee to make legislation under Article 66A of the Reform (Guernsey) Law, 1948.

For example, this term the Committee received permission from the Presiding Officer for an additional Billet d'État to be issued under Rule 2(4) in respect of its Police Complaints and Vicarious Liability policy letter, including the Police Powers and Criminal Evidence (Bailiwick of Guernsey) (Amendment) Ordinance, 2024 to be approved at the same States meeting.

In early 2025, the Committee made a request to the P&RC for consideration under Article 66A of the Reform (Guernsey) Law, 1948 in respect of a proposed amendment to the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 in relation to asset sharing arrangements.

In respect of matters for consideration by the States under Article 72(A) of the Reform (Guernsey) Law, 1948, the Committee, jointly with the Policy & Resources Committee, has submitted policy letters in respect of extending relevant provisions of UK Immigration Acts in relation to Brexit and Biometric Data<sup>3</sup> and UK legislation in respect of nationality<sup>4</sup>. In 2024, the Committee referred an additional matter to the Policy & Resources Committee regarding the UK's Nationality and Borders Act (NABA) for consideration under Article 72A.

## Compliance with international agreements and conventions

- **FATF Standards**

As has been noted, throughout this term, the Committee has delivered significant legislation which has bolstered the Bailiwick's armoury to tackle money laundering and other financial crimes and recover the proceeds of unlawful conduct using enhanced civil remedies.

Whilst the Committee's focus this term was primarily on preparing for the MONEYVAL evaluation, commitment to global initiatives aimed at preventing and eliminating economic and financial crime and keeping abreast of, and implementing, relevant international standards issued by the FATF is a standing 'business as usual' priority for the Committee and government.

<sup>2</sup> Billet d'État XXV, 25th November, 2020

<sup>3</sup> Billet d'État XII, 19th July, 2023



- **Post-Brexit obligations**

In the post-Brexit operating environment, the Guernsey Border Agency continues to progress work in order to fulfil the Bailiwick's international obligations and demonstrate compliance resulting from:

- Membership of the CTA
- The UK-Crown Dependencies Customs Union
- The UK-EU Trade Cooperation Agreement and other FTAs.

All of these commitments come with significant long-term obligations.

- **Istanbul Convention**

The Committee has stated its intention to adopt the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence (the Istanbul Convention) which underpins all Violence Against Women and Girls (VAWG) strategies. The Committee has prioritised progressing work on assessing compliance with the Convention, and this term it has broadened the Domestic Abuse Strategy to encompass sexual violence resulting in the Domestic Abuse and Sexual Violence Strategy for Guernsey and Alderney 2022-2025 which was approved by the Assembly in September 2022.

Most jurisdictions within the UK and other countries who are part of the Council of Europe now have VAWG strategies which encompass much more than domestic abuse and sexual violence. These are linked to the Istanbul Convention in that they have action plans which tie in with the articles of the Convention. The Committee is exploring what would be required locally to meet the requirements of a VAWG Strategy.

- **International Convention reporting**

As part of its ongoing compliance with international agreements, the Committee is required to contribute submissions to cyclical reporting in respect of various international agreements as relevant to its mandate, coordinated by External Relations. This typically requires updates in respect of any relevant policy and legislative developments and collation of statistics in order to demonstrate compliance with international conventions.

This term the Committee has contributed to reporting in respect of:

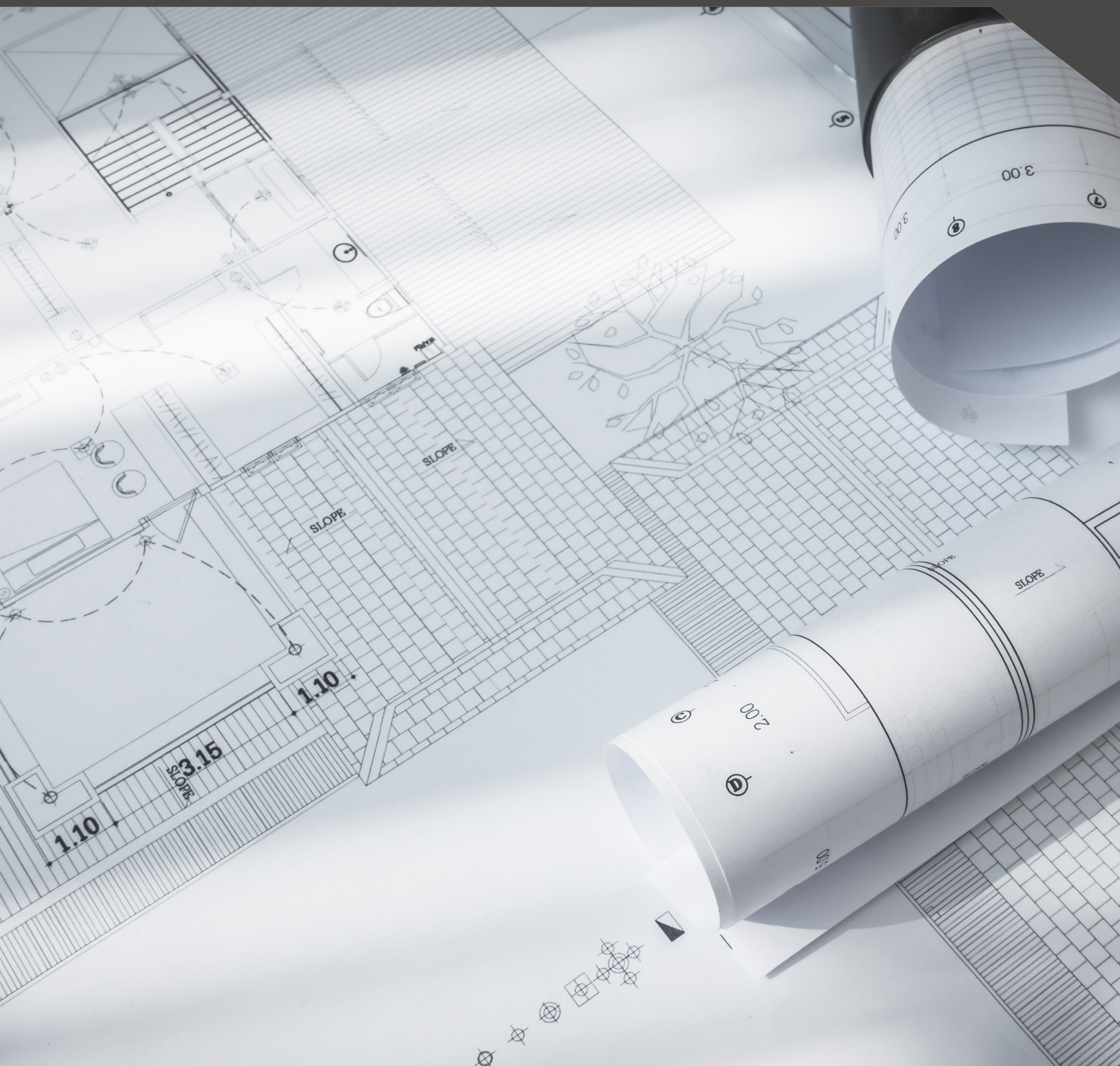
- The UN International Convention on the Elimination of All Forms of Racial Discrimination (ICERD);
- The UN International Covenant on Economic, Social and Cultural Rights (ICESCR);
- The UN International Convention on Civil and Political Rights (ICPR);

- The UN Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (UNCAT);
- The UN Convention on the Rights of the Child (UNCRC);
- The UN Core Document – Indicators in respect of crime and the administration of justice;
- The UN Periodic Review; and
- Various International Labour Organisation conventions.



# Development & Planning Authority

End of Term Report, March 2025





# Mandate

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The Development & Planning Authority (DPA) is responsible for land use policy through the production of development plans and other instruments, and for determining development applications. The DPA is supported by the Planning Service which delivers the operational functions of the DPA within the terms of an agreed and published scheme of delegation.

The duties and powers of the DPA approved by the States are:

- to advise the States on land use policy and to develop and implement land use policies through development plans and any other relevant instruments;
- to determine development applications of all kinds, including planning, building control, protected buildings and protected sites;
- to maintain and keep under review schemes of delegation in order that only the most contentious or high profile or atypical development control applications are referred to the elected members of the DPA, and when they are so referred, to ensure that they are heard at open planning meetings held in public;
- to exercise powers and perform duties conferred on the DPA by extant States Resolutions, including those Resolutions or parts of Resolutions which relate to matters for the time being within the mandate of the DPA and which conferred functions on the former Environment Department;
- to fulfil the operational responsibilities set out below.

The operational functions of the DPA approved by the States are as follows:

- operational functions arising out of planning legislation (except those that relate to planning inquiry administration), including:
  - enforcing planning legislation
  - operational functions relating to preparing development plans, subject plans, local planning briefs, guidance notes and development frameworks
  - administering planning applications and pre-application advice requests
  - making building regulations and Guernsey technical standards
  - administering building regulation applications and pre-application advice requests
  - conservation and design advice
  - administering the statutory lists of protected buildings and protected monuments
  - administering tree protection orders and functions in relation to sites of special significance and conservation areas
  - immunity certificates and property searches
- Salles Publiques, public building and public entertainment inspection and licensing
- clearance of ruins

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# Highlights of work delivered in this term of government

## A - PLANNING POLICY

### A1. Island Development Plan (IDP) focused review

The DPA has a statutory duty to review the IDP and follow the prescribed stages of the Planning Inquiry process to propose any changes. The scoping of this work began in 2023, focusing on employment and housing land supply and related issues as well as updating sites designated as Areas of Biodiversity Importance. The review scope included Policy GP11, which has since been zero-rated by the Assembly. The Committee's proposals to remove Policy GP11 and ensuring there is land available to enable homebuilding meant that alternative planning policies were needed to ensure provision of land for Affordable Housing, resulting in proposals to allocate six additional sites. The sites chosen were informed by the outcome of the Call for Sites. A very limited number of sites came forward where landowners were willing to allocate their land for Affordable Housing.

The DPA published its proposals for revision of the IDP which entered the Planning Inquiry stage, an independent process led by a Planning Inspector. Nearly 500 representations were received from stakeholders and Committees expressing many different views, especially around the deliverability of some of the housing sites, increasing the proportion of private market development on sites purchased by the States for Affordable Housing and changing industrial land zoning. Due to the significant knock-on effects on land supply for Affordable Housing being proposed, more time was required to enable proper assessment of those representations and further targeted consultation, including areas where there were contrasting views.

The DPA has been carefully considering its proposals in light of the representations and further extensive consultation, and has developed alternative proposals in several areas relating particularly to land supply for housing and employment. The changes to what was originally proposed by the DPA will be published as part of its responses to the Initial Representations in early February 2025. If there are significant changes, the Inspector has indicated that this would mean that the Initial Representations stage in relation to these areas of change would need to be re-run. There would then be an opportunity for further representations to be made on the two phases of Initial Representations received (see also Current pressures and issues below). **It will be for the next DPA to continue with the second round of representations, but the current DPA will have answered all Initial Representations.**

## A2. Streamlining the Development Plan amendment process

In parallel with the focused IDP review, the DPA has also been looking at the Planning legislation and procedures to identify options to streamline the process of amending Development Plans in the future. The aim of this is to ensure that we can facilitate a more responsive and proportionate approach when changes to planning policies need to be made, for example in response to changing strategic approaches and government priorities.

## A3. Harbour Action Areas Local Planning Brief

The other major focus of Planning policy work this term has related to the preparation of a Local Planning Brief (LPB) for the St Peter Port and St Sampson Harbour Action Areas. The LPB will set the policy framework and high-level approach to prospective development. Tibbalds Planning and Urban Design has assisted in preparing the LPB on behalf of the States. Following conclusion of the Planning Inquiry in December 2024, the draft LPB is expected to be referred to the States for approval in April 2025. If agreed by the States, the Local Planning Brief will form part of the IDP and will provide guidance to developers and set the parameters within which development can come forward within the Harbour Action Areas. The DPA has also been liaising closely with the Guernsey Development Agency (GDA) which is tasked with bringing forward developments within those areas. The draft LPB supports the objectives of the GDA. In the meantime, the Authority has considered proposals through IDP Policy MC10 that would not prejudice the Local Planning Brief, such as for Quayside. It is anticipated at the time of writing this report that the States will have approved the Local Planning Brief and therefore that it will become an addition to the IDP in April 2025.

## B - LEGISLATION

### B1. Planning Exemptions Ordinance

In March 2023, the States approved the Land Planning and Development (Exemptions) Ordinance, 2023. This significantly updated and extended the previous planning exemptions for a wide range of developments, removing the requirement for a planning application for many additional forms of work, including for renewable energy apparatus, and helping to streamline the planning process.

The Ordinance includes a specific exemption dealing with the change of use of visitor accommodation which enables a specific group of longstanding, in-effect redundant and derelict sites that no longer add value to the tourism industry to be brought back into use for an economic or social positive gain. Planning permission has been granted for housing on several of those sites.

## B2. Land Amenity Improvement Notices

The States has also recently approved the Land Amenity Improvement Notices Ordinance, 2024. This will come into force in 2025 and Land Amenity Improvement Notices (LAINs) will address land which is affecting the amenity of an area, also known as 'eyesore sites'. This will play an important role in securing revitalisation and act as a deterrent to prevent the future creation of eyesores through dereliction and neglect. It is anticipated at the time of writing this report that the LAIN Ordinance will come into effect in February 2025 at which time written communication with the owners of several prioritised 'eyesore' sites will commence.

## B3. Temporary exemption for planning permission for certain changes of use of visitor accommodation

The temporary exemption for planning permission for certain changes of use of visitor accommodation has been extended several times since first introduced and continues to support the demand on housing and visitor economy by allowing temporary changes of use which will also help to alleviate the current challenges of accommodating key workers in the short term.

## C - SUPPLEMENTARY PLANNING GUIDANCE

### C1. Development Frameworks

**To help stimulate housebuilding, the DPA has significantly relaxed the thresholds where a Development Framework is required.**

Development Frameworks have been approved this term for the following sites:-

- Braye Road Industrial Estate (June 2021)
- Belgrave Vinery (August 2021)
- Chouet Headland (October 2021)
- St Peter Port Regeneration Areas (November 2021)
- The Mallard (April 2022)
- L'Aumone House (September 2022)
- St Martin's Hotel (January 2024)
- Pitronnerie Road (April 2024)
- La Vrangue (April 2024)

## C2. Other Supplementary Guidance

### Conservation Area Appraisals for St Peter Port and The Bridge

Conservation Area Appraisals which set out in detail the special historic, architectural and townscape interest of the areas have been published for St Peter Port and The Bridge Conservation Areas.

### Biodiversity measures

Since 1st September 2021, the DPA has required that all applications for change of use of land to an alternative use, including extending domestic garden areas, be accompanied by information demonstrating improved biodiversity following change of use, in line with the Strategy for Nature adopted as Supplementary Planning Guidance in July 2020. Guidance to support the biodiversity requirements relating to wildlife-friendly gardens and buildings and wildflower meadow advice was published by the DPA in 2022.

### Building Regulations and Guernsey Technical Standards (GTS)

Amendments were made to Part L: Conservation of Fuel and Power in 2022 and two new GTS editions relating to Fire Safety have since been published, these updated standards resulting from recommendations of the Grenfell Inquiry.

### Bicycle Parking Advice Note

A bicycle parking advice note was published in April 2024. This provides information and guidance on the type and layout of cycle parking. The guide aims to reflect best practice whilst taking into consideration the need to balance between different demands on land use.

### Ancillary or associated living accommodation units

In July 2024, the DPA published revised supplementary planning guidance on ancillary or associated living accommodation units, which supersedes the previous dower unit guidance and reflects the more flexible approach advocated under the current IDP. This helps support multi-generational living and enables the creation of ancillary units even Outside of the Centres.

### Community Plan for St Peter

**In September 2024, the DPA approved Guernsey's first Community Plan, for the Parish of St Peter. The document sets out how those who live, work and spend time in the area would like to see their local area change in the future. The Community Plan can be considered by the DPA when assessing applications for development within the area and helps developers to understand the types of development that will be most supported by the community.**

### D1. Open Planning Meetings

Open Planning Meetings are held for the most significant or contentious planning applications and have been held this term for the following sites:-

- Pointues Rocques (October 2021 and July 2022)
- Les Ozouets Campus (July 2022)
- Land at Chouet (October 2022)
- Leale's Yard (November 2022)
- Briarwood (December 2022 and March 2023)
- Former CI Tyres site (March 2024)
- Quayside and Durlston (June 2024)
- Longue Hougue (July 2024)

### D2. Digitisation of planning and building control applications

The Planning & Building Control digitisation project is nearing completion and will provide a new, browser-based digital platform for Planning and Building Control applications. This project has previously enabled the DPA to return £142,000 of recurring savings from its budget.

### D3. Application performance overview

Planning Application timescales generally met 8- and 13-week targets during the term with a small number of applications over 13 weeks old. These older applications were generally deferred, amended and progressing to decision, waiting for a response from an applicant/agent or waiting for key consultation responses. In 2024, the DPA determined 1,341 planning applications, of which 88 were refused. 500 pre-application enquiries were dealt with during the year. The DPA has an operating income for 2025 of £1.6 million through collection of fees and charges for applications. Consideration is being given to extending charges and including areas such as pre-application enquiries as part of ongoing work arising from the Reducing the Cost of Public Services workstream.





# Current pressures and issues

As described in **A1** above, the focused review of the IDP was delayed because of the need for the DPA to provide a considered response to the Initial Representations and to ensure that the process can move forward with all the necessary information avoiding delays later in the process. The DPA plans to submit its responses to the Initial Representations received, including any changes to the draft Plan, in February 2025. Further consultation will be required on any significant changes proposed. To complete the statutory process there will follow a period of Further Representations, an Inquiry Hearing and Inspector's report before the matter can be submitted to the States. **As noted above, it will be for the next DPA to continue with the second round of representations, although the current DPA will have answered all Initial Representations. Concluding this workstream will represent one of the most significant tasks for next term.**

The IDP was adopted by the States in November 2016 and has a statutory 'life' of ten years unless extended by the States. In view of the timing of the focused review mentioned above, it is likely that an extension of the IDP beyond 2026, perhaps to 2030 to align with projected five-year housing and employment land supply, will require to be sought and a policy letter laid before the States accordingly. Regardless of the placing or outcome of such a policy letter, there will be a requirement for the next DPA to keep the IDP under review. Should a full Plan Review be required in the next political term, this will be a major undertaking which will require adequate time and resources to manage successfully.

Notwithstanding this preceding point, in parallel with the focused review of the IDP, the DPA has a current workstream to examine ways to streamline the process of making amendments to Development Plans (see A2 above). As well as having potential implications for future reviews of the IDP, for example by making smaller policy changes swifter and easier to achieve or potentially even enabling a phased approach to future Plan reviews, the outcome of this workstream is likely to require some legislative changes to the Planning Law and relevant Ordinances. This workstream is therefore flagged for visibility at this stage.

# States' Assembly & Constitution Committee

**End of Term Report, March 2025**



## Committee Mandate



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The States' Assembly & Constitution Committee's (SACC's) mandated responsibilities include the practical functioning of the States of Deliberation, the States of Election and the broadcasting of proceedings. Whilst the Parliamentary team delivers the operational aspects of this, such as production and publication of Hansard, the Committee oversees this work.

In addition, the Committee regularly reviews the Rules of procedure and practices of the States.

The Committee is also responsible for induction and ongoing support for States Members as well as matters concerning the propriety and conduct of members.

As a Parliamentary Committee, SACC does not have an extensive portfolio related to the Government Workplan.

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# Maintaining legislation

The Reform (Guernsey) Law, 1948 and associated Ordinances have been amended to align the legislation with the appointment of the Commissioner for Parliamentary Standards, and in preparation for the General Election in 2025.

## Parliamentary business

During the President's Statements the following matters have been raised and the Committee has kept the Assembly updated on progress against its workplan:

- Review of the Code of Conduct for Members of the States' of Deliberation
- Improvements to facilities for States' Members
- The appointment of the Parliamentary Commissioner for Standards
- The introduction of Simultaneous Electronic Voting in the Assembly
- Completed a review of the Rules of Procedure
- Preparations for the General Election 2025
- Induction and ongoing development courses for Members
- Introduction of a seven-week course for prospective election candidates

For a Committee with few resources, it believes it has achieved a great deal this political term.

## Discharging Resolutions

- Amendments to the Rules of Procedure.
- Preparation for the General Election 2025 such as introducing a Deputy Central Returning Officer to support election administration.
- Parliamentary Commissioner for Standards – revisions to the Code of Conduct.



# Current pressures continuing into next term: extant strategies and policies

- Investigate the creation of an independent body to advise on and oversee future elections as recommended by the CPA BIMIR Election Expert Mission after the 2020 General Election.
- Investigate a version of the Model Law appropriate for Guernsey to establish a special purpose parliamentary body to oversee the States of Deliberation as a parliament.
- Report back to the States with recommendations about the appropriate number of States Members for the 2029-2033 States term including the proportion of Alderney Representatives.





# States' Trading Supervisory Board

**End of Term Report, March 2025**



The background of the page features a large, faint watermark of the Guernsey coat of arms, which depicts a lion passant guardant with a crown and a collar of ermine.

## Mandate

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The States' Trading Supervisory Board (STSB) carries out the States' role as shareholder of any incorporated companies which are owned by the States and which the States have resolved to include in the mandate of the Board, namely Guernsey Electricity, Guernsey Post, Aurigny and Jamesco. The Board's role is to ensure the efficient management, operation and maintenance of States' unincorporated trading concerns and commercial interests such as Guernsey Airport and Alderney Airport; Guernsey Dairy; Guernsey Harbours; Guernsey Water; the Channel Islands Lottery; and States' Works. The STSB also serves as the Waste Disposal Authority.

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# Introduction

The States Trading Group businesses are responsible for some of the Island's most important infrastructure, which underpins essential service provisions and supports the Island's lifeline links and critical supply chains. That is capital-intensive, and therefore requires long-term planning – both technical and financial. Unfortunately, the current condition and maintenance requirements of much of this infrastructure reflect historic underinvestment, for which there is no short-term fix. Addressing this legacy has been a key focus for the STSB throughout this term and is reflected in the priorities and activities across the Group.

The need for additional investment has come at a challenging time, given the inflationary pressures and supply chain disruption caused by Brexit, the pandemic, and the war in Ukraine. This has impacted operating costs and capital budgets and contributed to a number of Trading Group businesses reporting trading deficits, causing significant pressure on fees and charges.

The STSB has adopted the principle that, other than in exceptional cases, the Trading Group should be self-funding and not reliant on General Revenue. Individual businesses have been tasked with operating commercially, which includes generating sufficient revenue from customers to cover operating expenditure, fund essential investment in equipment and infrastructure, and the cost of any borrowing. This avoids a burden on taxpayers.

Considerable work has therefore been undertaken during this term to eliminate trading deficits and ensure the Trading Group businesses generate sufficient surplus to meet their long-term funding requirements. This is being achieved through a combination of efficiencies and cost reductions; charges that are fair and reasonable; potentially borrowing to fund essential infrastructure investment; delivering more services with the resources available; and eliminating services that are no longer affordable or essential.

**Crucially, addressing a number of current issues for the Trading Group will require States Members' resolve in making difficult strategic and funding decisions. A prime example is agreement on the future for inert waste, as the failure to progress a new disposal site during this term is impacting significantly on the cost of maintaining essential provision for the construction industry. Similarly the future of Guernsey Dairy and Alderney Airport, and a long-term solution for the Island's harbour requirements, also need to be resolved.**

The STSB is reviewing the governance arrangements for the unincorporated businesses, and the potential benefits of establishing separate companies to oversee them. This would be similar to Guernsey Post and Guernsey Electricity, which were run by States Committees before becoming independent companies more than 20 years ago. They remain 100% owned by the States of Guernsey, but without political involvement in operational decision-making. The review is considering whether a similar arrangement would enable other businesses to provide a better service to islanders.

# Aurigny

In 2021 the States agreed a new business plan and shareholder objectives for Aurigny, to support the Air Transport Policy Framework

The core of that business plan was to return the company to a break even position within five years, in the post-COVID environment, while maintaining the lifeline links the airline is responsible for. It focused on reducing costs, including through fleet simplification, and maximising revenue by optimising aircraft utilisation across an expanded route network and through new commercial partnerships with other operators. Any future profits would then be reinvested in improving and enhancing the Bailiwick's air links, for the benefit of islanders and local businesses.

Under the direction of its current chairman and chief executive, that plan has been executed. In 2022 the airline recorded an operating profit, ahead of schedule. It now flies to more destinations than at any time in its 57-year history, providing onward links to hundreds of locations worldwide through international hub airports in London, Paris, Dublin and Manchester.

The network expansion includes new services launched in 2024 to London City, Edinburgh, and Paris CDG. Investment in a new sales platform has enabled 'interline' agreements with Blue Islands and Logan Air, and with British Airways – providing 'through connection' to and from hundreds of other destinations. Seasonal routes also provide flights to winter ski and summer sun destinations across southern Europe.

The airline agreed a PSO contract in 2021 with the Policy & Resources Committee to cover Alderney's air links. Current provisions are under review as part of the Committee's intent to reduce the net cost of the contract.



As part of the turnaround plan, in 2024 Aurigny sold the Embraer jet, moving to an ATR-only operation for all its UK and European routes. The fleet transition saw an extended period of disruption to services throughout much of the year, raising significant concerns regarding the future reliability and resilience of the Island's key air connectivity.

An independent review concluded this difficult transition was due to a combination of events that could not reasonably have been foreseen, and the airline will be better placed to deliver its planned schedule on UK and European routes now the transition to an all-ATR fleet is complete. It also identified a number of challenges, including pilot retention, as well as opportunities for Aurigny, which its Board is committed to addressing.

In the meantime, it will also need to restore public trust, and it is hoped a return to previous levels of punctuality and reliability will help achieve that.

The one-off exceptional costs incurred as a result of the disruption during the fleet transition had a significant impact on the company's financial performance last year, which will be reflected in its 2024 accounts. However this also has to be set against the £10 million refurbishment cost that would otherwise have been incurred, due to the age of the Embraer, had the aircraft not been sold.

## Channel Islands Lottery

The Channel Islands Lottery continues to generate significant funds for Bailiwick charities through the Social Investment Fund, and provides financial support towards the operation of Beau Sejour.

While sales of the traditional Christmas draw have declined across both Bailiwicks, sales of scratch cards have shown continuing upward trend in Guernsey. This is mainly driven by the popularity of the larger jackpot £10 games, which now account for more than 50% of turnover.

STSB's aim is to ensure the lottery operates responsibly – providing the best return for charities and other good causes, and a positive experience for participants. However it is acknowledged that gambling can be a problematic activity for some.

The STSB assisted the Committee *for* Health & Social Care in funding an independent Health Impact Assessment to better understand the extent of problem gambling. It also commissioned further independent research to assess islanders' attitudes towards the lottery and game preferences, to help evaluate options for its future development.

Working with local addiction support agencies, the main distributor and reseller network, new initiatives have now been implemented to promote safer gambling.

**In conjunction with main distribution agent Guernsey Post, in 2025 it is due to roll out a pan-CI validation solution, which will further enhance the existing governance and control framework. Preparations are also being made for the award of a new games provider contract in 2027.**



# Guernsey Dairy

Guernsey Dairy remains critical to the Island's farming industry, the countryside, and the supply of local fresh milk. It too has been impacted by the rising cost of materials post-2019, and is also having to manage the long-term reduction in demand. Considerable marketing efforts are being made to promote the health benefits of local dairy products and the wider contribution they make to the Island.

The condition of the facility remains a challenge. Much of the equipment and infrastructure is more than 40 years old and has reached the end of its expected life. The cost and ongoing inefficiency of maintaining and operating ageing plant and equipment is adding to the financial pressures.

**A prioritised programme of essential maintenance has been identified, and around £2 million committed to keep the current dairy operational and compliant until a decision is made on a new purpose-built facility. Work on that project was paused pending a review of the Island's dairy farming industry by the Committee for the Environment & Infrastructure. Having considered the findings of that review, the States will have to commit to a new dairy in the next term, otherwise the local dairy farming industry is likely to see further, irreversible decline.**

# Guernsey Electricity

For 10 years prior to 2022, Guernsey Electricity's base tariffs remained unchanged due to a dysfunctional regulatory system. Consequently the level of investment in the Island's electricity infrastructure over that time fell well below that needed to maintain the existing asset base.

The STSB now has responsibility for control of tariffs, with the short-term objective to ensure Guernsey Electricity is efficient and generates sufficient revenues to properly maintain the existing infrastructure.

The company's 2021-24 "base-case" programme targeted capital investment of £30.4m. This continues to be partially funded through borrowing, to minimise the impact of tariff increases during a period of high inflation. Nevertheless, the company must move to a sustainable financial model, where it can self-finance this base-case investment from earnings. Further borrowing should only then be required to support the growth of the business in line with the Electricity Strategy.

The current capital programme includes the biggest cable infrastructure project since the 1980s. More than 6km of new underground high voltage cable has been laid to connect two northern substations to a new bulk supply point at the Princess Elizabeth Hospital. This will provide the Island's future transmission backbone, supplying

electricity to one in five homes. It has enhanced network resilience and capacity to cope with increasing maximum demand and consumption, as customers move away from fossil-fuelled heating and transport in preference for low-carbon electric alternatives.

The Electricity Strategy now provides clear direction for Guernsey Electricity, so it can start developing strategic investment plans to support the Island's energy transition. This will focus on additional interconnection with the European grid, and appropriate reinvestment in the transmission network and power station to meet future requirements. It will facilitate the integration of larger scale renewable generation, with imported electricity filling intermittent gaps, and the retirement of end-of-life diesel generators. Some on-Island back-up power station plant will always remain necessary, but with investment in more cost-effective equipment that is far less likely to be needed on a routine basis. **A key focus of the next term will be to finalise these long-term plans and agree how they should be funded.**

Europe's energy markets saw unprecedented price increases and volatility following the outbreak of war in Ukraine. Local electricity consumers were shielded from this, thanks to forward pricing arrangements in Guernsey Electricity's import contracts. Those hedging arrangements have begun to expire and the cost of both on-Island generation and import has risen significantly, driving up underlying costs. That is a further challenge to the company's long-term investment programme and the tariffs required to support that.

**The STSB has benchmarked tariffs and efficiency against counterparts in Jersey and Isle of Man. An efficiency savings target of £1.65 million over four years has been set, to partially mitigate the need for future bill increases.**

## Guernsey Ports

Guernsey Ports' primary function is to maintain and operate the facilities that provide the Island's key connectivity for goods and passengers. Its most pressing priorities are to address the historic underinvestment in the current infrastructure, particularly at the harbours, and to resolve the future long-term provision of these essential facilities.

The need for additional infrastructure spending comes as Guernsey Ports' finances are still recovering from the perfect storm of COVID-19. The pandemic wiped out the capital reserves that had been built up over years, and passenger numbers at the harbour and airport — the driver of critical income streams — remain around 20% below 2019 levels. Consequently, Guernsey Ports has been reliant on significant taxpayer funding for most of the current term, and addressing this has provided a further challenge.

Guernsey Ports has implemented a plan to return to a sustainable self-funding position. It includes £1.3 million in cost savings through 2025 and 2026, and delivering new business opportunities to diversify revenue streams. All ports fees and charges were reviewed, to identify where reasonable increases could be applied, and phased so that any adverse impact could be adjusted for. These steps should eliminate the need for taxpayer funding by 2026 – with the possible exception of Guernsey Airport, if a case can be made for an element of direct financial support, as an economic enabler.

Options to address the space constraints and conflicts within the existing facilities, both on land and on water, were set out in the 2021 Future Harbour Development policy letter. They include possible creation of a new commercial harbour, with the potential to unlock significant development opportunities in and around the current harbours at St Peter Port and St Sampson. Further investigations are pending progress by the Policy & Resources Committee.

A 15-year masterplan has been drawn up for Guernsey Airport, to provide a framework for how its development potential can be realised. The objectives are to maintain regulatory compliance and improve efficiency; maximise revenue streams; and enhance customer experience. In the meantime, critical baggage screening systems have been upgraded to meet current and anticipated regulatory requirements, and security provision has been brought in-house (also at the harbour), to provide more direct oversight and further improve customer service.

Guernsey Ports' operational, commercial and business development teams are also working with airlines to improve connectivity. This has seen the successful introduction of a number of new routes in 2024 and in 2025, with further routes planned for 2026.

Additional resources are being committed to delivery of a prioritised capital portfolio for the Ports – with budgeted expenditure in 2024 of around £4 million. That has accelerated several projects, but much remains to be done.

**Consultation is ongoing with the Policy & Resources Committee to identify possible funding and delivery models for a potential new marina within St Peter Port. This would require major investment, to provide a new offering for local and visiting vessels, with much improved facilities. This could give a significant boost to the local marine services industry and other sectors of the economy. A concept design has been developed, following detailed technical surveys, market demand analysis and feasibility studies.**

**In the meantime, multi-million investment is being made in existing leisure marine facilities. This includes reconfiguration and refurbishment of berths in the QE2 Marina, to address some of the current unmet demand for larger vessel moorings, and the planned replacement of its tide gates.**

**The condition of the runway at Alderney Airport must also be resolved. Following the unsuccessful tendering of the previous scheme, the Project Team has carried out further technical evaluation and estimates for other options, to inform a future policy letter from the Policy & Resources Committee.**

# Guernsey Post

Since 2020, traditional mail volumes handled by Guernsey Post have fallen by on average 10% a year, continuing a well-documented, sharp and irreversible global decline. Continuing to meet its Universal Service Obligation in the face of steady erosion of its core business has presented a significant challenge. It has meant realigning operations to reflect current demand and exploit growth areas, and finding new opportunities to harness the company's skills and resources, to diversify the business and increase revenue.

The most recent financial performance reflects significant cost pressures in the past three years. They include high inflationary increases across the wider postal sector, which has driven up underlying costs. This challenging operating environment was further impacted by long-running industrial action across the UK in 2022 and 2023. These factors contributed to Guernsey Post recording its first operating loss in more than a decade in the year to 31 March 2022. A Business Change Programme was subsequently agreed, which included reduction in staff and other efficiencies and pursuit of new commercial opportunities. These measures more than halved the trading deficit in 2023, and further improvement is expected in the current financial year.

The decline in traditional mail has been offset to an extent by continued growth in e-commerce, which Guernsey Post has been well-positioned to capitalise on. In 2024 the company completed a major reconfiguration of its Envoy House headquarters to enable the installation of new parcel sorting machinery. This has delivered immediate improvements in operational efficiency, with capacity to meet anticipated further growth in parcel volumes.

The acquisition of HR Air has been another key development, expanding and diversifying the company's logistics capabilities to offer more comprehensive and efficient delivery solutions. This has contributed to overall growth and has been further enhanced by the opening of Guernsey Post's new parcel depot in Portsmouth during 2024. That now provides a delivery hub for retailers who were not previously serving the Guernsey market, offering opportunities for further growth in parcel volumes.

Guernsey Post has also formed a successful local partnership with vehicle hire provider Evie, utilising its electric vehicle fleet during periods when they are not required operationally. In 2021 it secured the contract to become the main distribution agent for the Channel Islanders Lottery, and last year delivered more than 2.4 million tickets to the reseller network in the Bailiwick.

**Increasing competition within the UK delivery market and the resulting pricing pressures, coupled with expectations for faster and more flexible delivery services, will continue to present challenges. Maintaining the current relentless focus on developing the business and maximising its strengths and capabilities will be key to future success and growth.**

# Guernsey Waste

In 2021 the States agreed a revised funding model for Guernsey Waste, with General Revenue meeting the shortfall in income through household charges. However, the STSB remains focused on minimising the taxpayer funding requirement. Around £100,000 a year has been saved by the closure of the remaining bring bank recycling sites, use of which had declined since the introduction of kerbside collection. The extension of charging at the Household Waste & Recycling Centre in 2024, to include items such as domestic appliances, is generating around £150,000 a year towards the annual operating costs for the site.

Arrangements have been implemented to temporarily stockpile inert waste at Longue Hougue, pending a decision on a future disposal site. This has maintained essential provision for the construction industry now that the current land reclamation site has reached completion. The current planning permission allows for stockpiling until 2027, with all material to be relocated by 2030. The failure to progress an extension to the current Longue Hougue site as a future disposal site, agreed by the previous Assembly, requires urgent resolution. In the meantime, provision is being made in Guernsey Waste's accounts for the significant costs that will be incurred to relocate stockpiled material to a new site in future.

Arrangements are now being progressed for the export of asbestos material and processing of gulley sludge and road sweepings, to extend the remaining life of the Mont Cuet landfill site. Guernsey Waste used part of the site for construction of a new drop-off point for household garden waste. That has provided a marked improvement on the previous location, and enabled work to progress on the new quarry at Chouet headland.

**As acknowledged in the Future Waste Charges policy letter, arrangements for waste and recycling in the commercial sector should be reviewed. Currently just over 50% of commercial waste is recycled, compared to the household figure of close to 70%. The review would include consideration of appropriate targets - similar to those for household waste - and how well current arrangements for the commercial sector align with the island's waste strategy. Guernsey Waste is liaising with the Committee *for the Environment & Infrastructure* on how this work can be progressed.**

**The policy letter also highlighted the need for a review of household collections, which Guernsey Waste will need to identify the resources to progress.**

Having successfully overseen the implementation of the Island's waste strategy, Guernsey Waste is closely monitoring developments in the UK and further afield that could affect how services are provided locally.



# Guernsey Water

Guernsey Water has seen increased costs for energy, labour and chemicals, but most of all in capital and asset maintenance projects, due to supply chain disruption and inflation post-2020. The resulting higher-than-planned expenditure — combined with previous tariff rises that were below inflation — has led to trading deficits in each of the past three years. That is now being addressed.

Having already taken on debt to repay the States' original investment in the replacement of the Belle Greve long and short sea outfalls, the funding required for ongoing essential maintenance of existing networks is being sustained through further borrowing. This is not financially sustainable, so above inflation bill increases are being applied to ensure borrowing is only required for new networks and asset improvement. This should ensure the business is much more resilient – both financially and operationally – and will also mean future customers contribute to long-term investment in these improvements.

More than £22 million is being invested this term in renewal of water and wastewater infrastructure. This includes a major refurbishment of the St Saviour's Reservoir treatment works; the replacement and upgrading of pumping stations; and renewal of several miles of water mains and sewerage.

Work has also commenced on a multi-year programme to increase capacity of the strategic main that provides drinking water to the north of the island. This is anticipated to cost up to £11 million and will support the States' strategic population objectives and new housing targets.

Efficiencies are being sought throughout the business to offset the need for tariff increases, along with service improvements. For example, the delivery model for cesspit emptying has been changed, including insourcing customer contact and implementing a more resilient IT management system. This will ensure the service has the resources to work effectively and provide a better customer experience. Combining cesspit billing with water and wastewater charges has reduced costs, and further insourcing is expected to deliver additional savings.

**The anticipated future impacts of climate change on rainfall patterns and storage requirements are having to be prepared for. Guernsey Water has carried out an extensive review of its Water Resources and Drought Management Plan, to identify future requirements, which has helped inform the Committee *for the* Environment & Infrastructure's review of the future use of Les Vardes Quarry. Major investment will be needed and the cost will depend on the outcome of that debate, which will have implications for borrowing and customer bills.**

# States Works

Working primarily with States of Guernsey clients, States Works continues to deliver a range of municipal and engineering services – from the upkeep of public spaces and road cleansing, to waste management, electrical installations and mechanical maintenance. Due to its scale and readiness, its resources are frequently deployed, alongside other agencies, in response to emergency incidents and other disruption. This helps maintain safety, protect property, and assist speedy recovery, which continues to be a key asset for the Island.

With pressure on Committee budgets and a tight labour market making recruitment and retention of skilled personnel challenging, the business has embraced new ways of working. This includes transitioning to a managed service operating model, working collaboratively with the private sector and community organisations to help deliver contracted services efficiently and effectively. It is also adopting technology solutions to enable smarter working. While most services continue to involve manual activity, this digital transformation of working practices and greater use of data management and business intelligence will help drive leaner ways of delivery.

An example is the Collective cesspit scheduling system, which features real-time coordination and in-cab communication to deliver a more flexible and efficient service.

States Works continues to support the development of the Island's workforce, both training the next generation of skilled tradespeople through participation in the local apprenticeship scheme, and supporting work rehabilitation schemes.

In 2023, the Island's main privately-owned local heavy commercial vehicle sales and maintenance dealership unexpectedly closed. States Works' garage section was able to offer roles to many of the staff affected by the closure, ensuring continued provision of a key facility of local businesses until the market could respond.

Alongside its regular activities, States Works was also heavily involved in planning for the stockpiling of inert waste at Longue Hougue until a long-term solution is available, and in the planning and delivery of a new green waste site at Mont Cuet.



# Jamesco

Jamesco has invested more than £2 million installing ballast water management systems on the States' two tankships, to ensure they comply with International Maritime Organisation regulations and can continue to import fuel to the Island. **The company has been consistently profitable, but the entry into the market of two new privately owned tankships is likely to present commercial challenges, particularly as demand for fuel imports is expected to reduce as part of the energy transition.**

## Supporting States delivery

The STSB continues to engage with and advise the Principal Committees and other States bodies in the development and implementation of policy and operational delivery of key services. Input also has been or is being provided on:

- Providing input to the Committee *for the* Environment & Infrastructure on its review of the dairy industry, the Energy Policy and Electricity Strategy;
- Assisting the Guernsey Development Agency's work around opportunities along the east coast, particularly around the harbours and at Longue Hougue, and including potential future uses for inert waste;
- Providing input to the Development & Planning Authority in developing the draft Local Planning Brief for the Harbour Action Areas;
- Assisting the Committee *for* Economic Development in evaluation of the business case for an extension to the runway at Guernsey Airport, and its response to a Requête on the topic.
- Involvement in the contingency planning around the Island's key sea links and supply chains, and the recent ferry services tender process;
- Providing input to the Policy & Resources Committee and the Committee *for* Economic Development on the delivery and development of the Island's air policy framework. Guernsey Ports' operational, commercial and business development teams are also working with airlines to improve connectivity, with the successful introduction of new routes in 2024 and 2025.
- Guernsey Water is supporting the work of the Policy & Resources Committee, Committee *for the* Environment & Infrastructure, and Committee *for* Employment & Social Security on plans for Bridge regeneration, associated flood defences, housing and key worker accommodation.

- Guernsey Ports is leading the review of options for the refurbishment of Alderney Airport, to help inform the Policy & Resources Committee's proposals.
- On behalf of the Committee for Education, Sport & Culture, the STSB developed options for the long-term repair or replacement of the Castle Cornet Bridge, and is now progressing the scheme approved by the States.
- Guernsey Waste and Guernsey Water have provided expert input to the Policy & Resources Committee and the Committee for the Environment & Infrastructure in evaluating options for the future use of Les Vardes Quarry.
- Operationally, Trading Group businesses were heavily involved in the response to the pandemic and subsequent recovery. This included participation in the leadership and management teams operating the critical worker travel scheme, contributing to air and sea connectivity recovery, and provision of testing facilities at the ports.

