P.2026/49 Amdt 39

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

30th September, 2026

Proposition No. P. 2026/49

Policy & Resources Committee

Tax Reform 2026

AMENDMENT

Proposed by: Deputy D Goy
Seconded by: Deputy A Matthews

To insert an additional proposition as follows:

"To direct the Policy & Resources Committee to implement, by 31st March 2027, a mandatory public transparency and accountability requirement applicable to all Committees, Authorities and administrative bodies of the States of Guernsey in respect of proposed consultancy engagements with an estimated total value of £100,000 or more, such requirements to provide that:

1. Definition and scope

For the purposes of this proposition, a "consultancy engagement" means the procurement of paid external advice, analysis, strategy, recommendations or other advisory services provided by a person or organisation that is not part of the States of Guernsey's established workforce.

This proposition shall not apply to the procurement of goods, construction, engineering works, surveys, maintenance, routine professional services, or other specialist services where the principal purpose of the engagement is the provision of a service or deliverable rather than external advice or consultancy.

2. Advance public notification

Where a Committee, Authority or administrative body proposes to enter into a consultancy engagement with an estimated total value of £100,000 or more, it shall publish an advance notice of the proposed engagement at least 30 days before the contract is executed, through official States digital channels and such local print media as may be prescribed.

The purpose of the advance notice shall be to provide transparency regarding significant proposed expenditure of public funds and an opportunity for alternative solutions, including potentially lower-cost solutions, to be brought to the attention of the relevant Committee, Authority or administrative body before the contract is executed.

3. Information to be published

The advance notice shall include:

a) the specific operational objective or problem that the proposed consultancy engagement is intended to address;

b) a description of the nature and scope of the advice or consultancy services being sought;

c) the estimated total value or maximum budget of the proposed engagement, including any known options for extension and associated expenses;

d) a statement explaining why the relevant Committee, Authority or administrative body considers that the required outcome cannot reasonably be achieved through existing senior officer capacity, internal expertise, or available digital and AI tools;

e) a summary of the lower-cost, internal or alternative approaches considered before deciding to pursue external consultancy; and

f) where a Committee, Authority or administrative body has taken a vote to approve the proposed engagement, the decision and the individual vote of each political member participating in that vote.

4. No prohibition or approval requirement

Nothing in this proposition shall prevent or prohibit a Committee, Authority or administrative body from entering into a consultancy engagement following publication of the advance notice, nor shall publication constitute a referendum or requirement for public approval of the proposed engagement.

The purpose of the requirement is advance public notification, transparency and accountability, and to ensure that decision-makers have an opportunity to consider information or alternative proposals that may emerge following publication before the engagement is executed.

5. Anti-avoidance and aggregation

The £100,000 threshold shall be calculated by reference to the reasonably foreseeable total value of the consultancy engagement and shall include:

a) the full contract lifecycle value, including any optional extensions and associated expenses that are known or reasonably foreseeable at the time of procurement;

b) the aggregate value of consultancy engagements with the same external provider relating to the same project, programme or substantially related objective within a rolling 12-month period; and

c) any variation or extension which causes the total value of an engagement to reach or exceed £100,000.

Where a contract variation or extension causes the threshold to be reached after the original contract has been executed, the relevant Committee, Authority or administrative body shall publish a retrospective notice within 14 days, containing the information required under paragraph 3 insofar as applicable.

6. Genuine emergencies and legally confidential matters

Policy & Resources may grant an exemption from the 30-day advance-notification requirement where it is satisfied that:

a) a genuine and unforeseen time-critical emergency makes compliance impracticable; or

b) advance publication would be unlawful or would disclose information that the States is legally required to keep confidential.

Where an exemption is granted:

a) the relevant Committee, Authority or administrative body shall submit a retrospective justification report to the States of Deliberation within 30 days of contract execution; and

b) it shall publish, through official States digital channels and such local print media as may be prescribed, a public justification statement within 30 days of contract execution, setting out the rationale for the expenditure, the reason why advance publication was not possible, and, where a political vote was taken, the individual votes of the political members approving the engagement or exemption.

Information shall be withheld or redacted only to the extent strictly required by law, including where necessary to protect legally privileged or otherwise legally confidential information.

Rule 4(1) Information

a) The proposition contributes to the States' objectives and policy plans by reinforcing fiscal discipline, enhancing public transparency, and restoring public trust in government expenditure. It directly supports the States' strategic objectives for sustainable financial management and good governance by ensuring that high-value external spending is rigorously challenged, justified, and scrutinised before taxpayer funds are committed.

b) In preparing this proposition consultation has taken place taken place with the Policy & Resources Committee.

c) The proposition has been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.

d) The financial implications to the States of carrying the proposal into effect are estimated to be minimal, as any minor administrative costs associated with issuing advance public notices will be absorbed within existing States Communications and committee operational budgets. Furthermore, the amendment is anticipated to deliver net financial savings across the States of Guernsey by deterring unnecessary external consultancy engagements and encouraging greater utilisation of existing civil service capacity and internal digital capabilities.

e) Drafting advice has been sought from the States' Greffier.

<u>Explanatory note</u>

This amendment would require the States of Guernsey to introduce a mandatory public transparency and accountability requirement for proposed consultancy engagements with an estimated total value of £100,000 or more.

The purpose of the amendment is to ensure that significant expenditure on external consultancy is subject to appropriate public transparency before a contract is entered into. It does not prohibit or require the approval of any consultancy engagement, nor does it give the public a right of veto over a Committee's decision. Rather, it requires the proposed engagement to be publicly notified in advance, giving the public an opportunity to understand the purpose and anticipated cost of the expenditure and, where appropriate, to bring forward alternative or potentially more cost-effective approaches before the contract is executed.

The amendment requires the published notice to set out the operational objective of the proposed consultancy, the nature and scope of the advice sought, the estimated total value or maximum budget, the reasons why the required outcome cannot reasonably be achieved through existing senior officer capacity or internal expertise or available digital and artificial intelligence tools, and the lower-cost or alternative approaches that have been considered.

Where a Committee, Authority or administrative body has taken a vote on the proposed engagement, the amendment would also require the individual votes of participating political members to be made public. This is intended to provide greater accountability for decisions involving significant public expenditure.

For example, if the States wished to engage Consultant X to provide a particular piece of strategic advice at an anticipated cost of £250,000, it could proceed with non-binding negotiations with Consultant X as normal. However, before entering into the contract, it would be required to publish a notice at least 30 days in advance setting out what the consultancy was intended to achieve, the nature and scope of the advice sought, the anticipated cost, why the work could not reasonably be undertaken using existing internal resources or available digital and artificial intelligence tools, and what lower-cost or alternative approaches had been considered. If a vote was taken on the engagement, the individual votes of participating political members would also be published.

The purpose is not to put the consultancy out to public tender or give the public a veto over the appointment, but to ensure that a significant commitment of public money is transparent and accountable, while allowing any relevant feedback or alternative proposals from members of the public to be considered before the contract is entered into.

The amendment includes aggregation and anti-avoidance provisions so that the requirements cannot readily be circumvented by dividing related consultancy work into separate contracts or otherwise structuring expenditure below the £100,000 threshold.

Provision is also made for genuine unforeseen emergencies and circumstances in which advance publication would be unlawful or would disclose information that is legally required to remain confidential. In such circumstances, the normal 30-day advance notification requirement may be waived by the Policy & Resources Committee, subject to subsequent reporting and public disclosure of the reasons for the exemption and the expenditure, to the extent permitted by law.

For the purposes of the amendment, consultancy engagements are distinguished from the procurement of goods, construction, engineering works, surveys, maintenance and other specialist services where the principal purpose is the provision of a service or deliverable rather than external advice, analysis, strategy or recommendations.

The amendment therefore seeks to establish a consistent framework for transparency and accountability in respect of significant consultancy expenditure across the States of Guernsey, while preserving the ability of Committees, Authorities and administrative bodies to engage external expertise where they consider it necessary.