

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

3rd November 2026

Proposition No. 2026/82

Policy & Resources Committee

The States of Guernsey Annual Budget for 2027

AMENDMENT

Proposed by: Deputy H Camp

Seconded by: Deputy A Sloan

To insert, in Proposition 19, immediately after the words “2027 Budget Report” the following words:

“and to direct the Policy & Resources Committee to ensure that the multi-year funding agreement for economic growth initiatives as set out in paragraphs 6.98-6.109 of the 2027 Budget Report (the “Fund”) provides that:

- a) the sole purpose of the Fund is to support time-limited initiatives which address identifiable constraints on, and make a credible contribution to, sustainable economic growth in Guernsey;
- b) for the purposes of this proposition, “economic growth” means a sustained increase in the volume of goods and services produced in Guernsey (“real economic output”). A proposal may be funded where it demonstrates a measurable contribution to Guernsey’s productive capacity which is reasonably expected to increase real economic output over time.
- c) each proposal for funding must demonstrate that it:
 - 1. identifies a specific constraint on or opportunity for economic growth and explains how the proposed intervention is expected to contribute to increased real economic output or productive capacity which is reasonably expected to generate such output;
 - 2. demonstrates why public funding is required, including what is likely to happen in the absence of funding and why the proposed activity would not otherwise be delivered to the same extent or at the same time;
 - 3. specifies measurable outcomes, including a baseline, indicators, targets, timescales and arrangements for evaluating the results;

4. includes a costed and deliverable plan, with clear milestones, a defined funding period and an explanation of how the initiative will conclude or be sustained without creating an unapproved ongoing expenditure commitment; and
 5. demonstrates value for money through an assessment of reasonable alternatives, whole-life costs, expected benefits and material risks;
- d) notwithstanding that it will work with the Policy & Resources Committee in its established, the Committee for Economic Development shall be responsible for establishing and publishing the application and assessment framework for the Fund in advance of welcoming submissions;
 - e) in variance of the expectation expressed at paragraph 6.105 of the 2027 Budget Report, the Committee for Economic Development shall be responsible for making the final decisions on individual funding allocations, within the total funding, duration and terms approved by the States, such funding not to be unreasonably withheld by the Policy & Resources Committee; and
 - f) the Committee for Economic Development shall report to the States at least annually on the operation of the Fund, including for each funded initiative, its approved funding, progress and result against the five criteria in paragraph (c), and an assessment of how the Fund, taken as a whole, is contributing to its purpose in paragraph (a) (notwithstanding that this may be achieved through a report annexed to the budget in line with paragraph 6.106 of 2027 Budget Rport).".

Rule 4(1) Information

- a. The proposition contributes to the States' objectives and policy plans by ensuring that the £1.5 million multi-year funding for economic growth initiatives is explicitly directed towards its stated purpose of supporting sustainable economic growth in Guernsey.
- b. In preparing the proposition, a copy has been provided to each of the Policy & Resources Committee and Committee *for* Economic Development.
- c. The proposition has been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.
- d. The financial implications of carrying out this amendment are designed to be neutral in short-term and positive over the long-term. Through providing greater certainty around the stewardship and value-for-money of public expenditure permitted by Proposition 19.
- e. Drafting advice has been sought from the States Greffier.

Explanatory note

1. The allocation of funding towards economic growth initiatives is a welcome development and also fits the Government Work Plan amendment which requires that economic development is a whole-of-government responsibility. However, upon reviewing the 2027 Budget Report, the variety of terms used makes the goal of this initiative unclear. As a result, there is little clarity as to the basis on which money would be committed and spent.
2. Indeed, the myriad terms used in the Executive Summary and at paragraphs 6.98–6.109 of the 2027 Budget Report, including, without limitation, economic growth, productivity, workforce participation, attractiveness and infrastructure, create a very wide, almost limitless purpose. It is difficult to imagine a viable project that would not meet at least one of the terms used.
3. Wherever public money is committed and spent, clearly defined objectives must be set so that clear quantitative and/or reasonable qualitative judgements can be made when setting objectives, monitoring progress and determining outcomes. This strengthens trust in the process and allows value for money to be assessed both during delivery and across the life of a project.
4. It is for this reason that the proposition seeks to establish:
 - a. a clear definition of “economic growth”, in line with comparable approaches in other jurisdictions; and
 - b. five key criteria against which projects can be scored, assessed and monitored.
5. The ability to assess the success of an initiative proportionately is particularly important. Experience from other publicly funded initiatives demonstrates the value of defining purpose, objectives and measures before expenditure is committed.
6. Information disclosed about the Digital Greenhouse shows substantial activity and reports positive business outcomes, but also identifies limited systematic evidence of long-term economic outcomes. Recent impact figures were modelled from a limited survey sample and were not validated findings. An internal review identified the evidence gap: it found strong engagement and satisfaction, but monitoring was “rich in activity data” and “light on outcome measures”. It also found that long-term economic and employment outcomes were limited, and that new business formation, job creation, export readiness and productivity improvements were not tracked systematically.

7. The Freedom of Information response records businesses reporting positive progress, but it does not link annual funding to comparable economic outcomes. Nor was an assessment undertaken of what would have happened without that support. It is therefore not possible to establish from this evidence whether increased public funding produced increased economic growth, or to demonstrate the return on that investment.
8. The amendment therefore requires the Fund's purpose and assessment criteria to be set in advance, and its reporting to show how funded initiatives, and the Fund as a whole, meet them.
9. Finally, the Committee for Economic Development's stated purpose is to secure prosperity by generating wealth and employment through the promotion and development of business, commerce and industry across all sectors. The 2027 Budget Letter proposes that final responsibility for deciding which projects should be funded should rest with the Policy & Resources Committee. This risks muddying responsibility and accountability across two separate committees. For this reason, it is proposed that final funding decisions should rest with the Committee for Economic Development, following an initial shortlisting process between the two committees.