

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

25th January 2023

Proposition No. P.2022/112

Policy & Resources Committee

THE TAX REVIEW PHASE 2

AMENDMENT

Proposed by: Deputy Y Burford

Seconded by: Deputy L S Trott

To insert an additional proposition as follows:

“To rescind Resolution 14 on Billet d’État No XV of 2021, dated 21st July, 2021, (relating to the Government Work Plan 2021-25, P. 2021/71), and

- (a) in respect of capital votes already opened further to the authority of that Resolution, to confirm the authority conferred under that Resolution to the completion of those schemes, and
- (b) in respect of capital votes not yet opened under the authority of that Resolution, to agree the assurance and approval pathways for capital projects as set out in paragraphs 9.5 to 9.8, and 9.10 in the Funding & Investment Plan at Annex 5 of the 2021 GWP in Billet d’État No XV of 2021, and to delegate authority to the Policy & Resources Committee to approve the opening of capital votes on projects with an estimated cost of up to £5m.”

Rule 4(1) Information

- a) The proposition contributes to the States’ objectives and policy plans by enhancing effective scrutiny.
- b) In preparing the proposition, consultation has been undertaken with the States Treasurer.

- c) The proposition has been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.
- d) There are no costs associated with this proposition.

Explanatory Note

This amendment rescinds the following resolution from the GWP 2021 which reads:

To agree the assurance and approval pathways for capital projects set out in paragraphs 9.5 to 9.10 in the Funding & Investment Plan at Annex 5, including delegating authority to the Policy & Resources Committee to approve the opening of capital votes for all schemes in the capital portfolio or to enter into alternative delivery arrangements, subject to the overall capital portfolio being delivered within a total of £568million.

and replaces it with a similar proposition, but one which returns the delegated authority to the previously approved level of £5m, (increased from £2m this term), except for capital votes that have already been opened, which will continue under the higher delegated authority.

For reference, the section referred to in the 2021 GWP is as follows. The amendment would have the effect of omitting paragraph 9.9 which increased the delegated authority to £568m

9.5. Having considered the need for the delivery of capital investment to be accelerated, it is also proposed that we further refine the governance arrangements around capital schemes to ensure that assurance and approval pathways are proportionate. The proposals that follow should ensure that there is greater agility in the development of these schemes and further strengthen the focus on affordability and public value for money while protecting the States' commercial position.

9.6. It is proposed that the level of assurance and reviews and the approvals pathway for each scheme are agreed at the outset between the sponsoring Committee and the Policy & Resources Committee which will be captured in a scoping document. This should include the scope, goals, objectives and estimated timescales as well as indicative costs. It is proposed that the scoping document is agreed at the earliest opportunity to inform affordability considerations, potential funding routes and, importantly, the requirement for and timing of States' decisions.

9.7. The Committee believes that it is difficult to implement standard approaches to schemes as to whether and when further States' decisions are required. This was evidenced in the last term when some projects were brought to the States early in their development to seek agreement on the scope and

objectives. Others were only submitted for States' approval once all planning had been undertaken and the project was ready to commence.

9.8. The Policy & Resources Committee wishes to ensure that the States can consider, at an appropriately early stage, the direction which certain schemes need to take. For other projects, such as 'must do' or straightforward schemes, it considers that the best overall result is for the scheme to be implemented as timeously as possible and that a decision by the States, simply to approve funding, is an unnecessary governance requirement which simply slows progress. Therefore, each scoping document will need to set out any requirement for States' decisions which is likely to be dependent on risk, value, public interest and political judgement.

9.9. In addition, the Committee is concerned that the States' commercial position is often compromised by the setting out of project costs in public documents ahead of competitive procurement processes. Therefore, the Policy & Resources Committee wishes to recommend that it be given delegated authority to approve funding for all schemes in the portfolio up to the maximum costed portfolio value set out in Appendix 11.9. The Committee appreciates that this is a significant additional responsibility which it takes extremely seriously. On balance, it believes that this will deliver better public value and momentum in delivery. The Policy & Resources Committee will work closely with each sponsoring Committee to agree scope, take any States' direction from Resolutions and test and challenge the project business cases. Funding approval will be dependent on receiving the necessary assurances that the scheme represents best value and can be delivered according to the approved business case. The Committee will develop an approach for reporting back to the States on the use of this delegated authority to ensure transparency in the use of public funding.

9.10. Finally, the Committee does not wish to see time and effort wasted in documenting business cases beyond the elements necessary and proportionate to each scheme. Therefore, it wishes to see training extended to ensure that senior colleagues are equipped to apply the business case guidance proportionally, bolster leadership development and equip senior officers to lead complex schemes. It also strongly urges multi-disciplinary working across the public sector to ensure delivery of the best possible solution. This means that disciplines such as policy and strategy, strategic procurement, treasury and portfolio delivery functions are engaged early in the development of schemes to inform investment decisions and ensure continued alignment with the GWP priorities.