Scrutiny Management Committee

SCRUTINY MANAGEMENT COMMITTEE

Annual Report
September 2025 – September 2026

Scrutiny Management Committee | Guernsey Parliament

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1. President's Introduction

In a perfect world, Scrutiny should review decisions while they can still be improved. It should test the evidence, the alternatives, the cost, and the line of accountability before the States Assembly is asked to commit public money. More often it returns to decisions already taken and asks whether the promised result has been delivered. This first annual report describes how the Scrutiny Management Committee (the Committee) has tried to pursue both tasks since it was fully constituted this term in mid-September 2025 and details its work up until 30 September 2026.

The Principal Committees declined the Committee's invitation to engage with scrutiny earlier in the policy development process and therefore, we have attempted to review and comment on policy as it has been presented to the States Assembly. In this first year operational and policy areas and property and housing are of greatest immediate impact.

The Committee has used means available to it to obtain evidence including the holding of public hearings, requests for the underlying papers, lodging Letters of Comment before debate, and undertaking longer investigations that follow the evidence beyond a single meeting. The Committee commented in early 2026 that the States' institutional culture lacks transparency. Some of our investigations have been quite labour-intensive. To add to that, the common theme in the Committee's work is that poor governance is endemic and a probable root cause of much failure and cost.

2. The Year at a Glance

The Committee has had to choose among more possible subjects than its resources could cover. It has prioritised matters with substantial consequences for public money, services and the quality of government decisions. Policy Letters from the Principal Committees have been relatively scarce. The Policy & Resources Committee (P&R) has been the principal source of substantial policy and financial proposals, and our programme has followed that activity. Four of our five public hearings were with P&R, and all four Letters of Comment lodged during this period concerned matters within that committee's responsibility. Alongside that immediate work, we have brought inherited reviews towards publication and established a scrutiny programme for the next set of major spending decisions.

3. A Programme Carried Through the Year

The Committee has pursued four substantial strands of work. Two were inherited from its predecessor: the review of the Governance of the Investments of the States of Guernsey (Investments Governance) and the review of Recruitment and Retention. The present Committee has further developed and completed the Investments Governance review report in draft and progressed the Recruitment and Retention review towards a conclusion. It has also advanced its reviews the States' Property Unit (SPU) and its proposal to strengthen the Freedom of Information Appeals Panel. The Investments Governance review and SPU reports are in final draft and being

prepared to be submitted to P&R for the factual accuracy checking process to be undertaken. A letter has also been submitted to P&R regarding the Freedom of Information Code proposed changes. Each strand of the Committee's work has required sustained examination of documents and evidence beyond the public hearings.

Workstream	Position at the reporting date
Freedom of Information Code	Policy Letter prepared; referral on two Code issues prepared for P&R before the statutory appeals proposal proceeds.
Review of the Governance of the Investments of the States of Guernsey	Inherited review completed in draft; report to be submitted to P&R for factual accuracy checking.
States' Property Unit	Review completed in draft; report to be submitted to P&R for factual accuracy checking.
Recruitment and Retention	Inherited review narrowed to rental allowance; concise findings being prepared for submission to P&R.

4. Reviews

The Committee has completed its reviews of the SPU and the Investments Governance. Given the significance of the matters examined, we set out below the principal areas of scrutiny in each review. The final reports will include the detailed findings and recommendations. The factual accuracy process provides an opportunity to correct factual errors; the Committee alone remains responsible for its conclusions.

States' Property Unit Review

The Committee's review examined the governance and management of the States' extensive property estate, with particular emphasis on whether the arrangements for strategic direction, accountability and oversight were commensurate with the scale and value of the assets.

The review focused on five principal areas:

1. **Governance and accountability:** Whether responsibilities for estate strategy, property management, maintenance and major investment decisions are sufficiently clear across the States.
2. **Performance and value for money:** Whether appropriate objectives, performance measures and reporting arrangements exist to enable the States to demonstrate that its property assets are being managed effectively and economically.

3. **Estate information and strategic planning:** Whether the quality, completeness and accessibility of information on the estate provide an adequate basis for long-term planning, maintenance decisions and investment priorities.
4. **Political oversight:** Whether existing arrangements provide sufficient strategic direction, transparency and political accountability for the management of a major public asset portfolio.
5. **Major property decisions, including Leale's Yard:** Whether the governance arrangements surrounding significant property transactions provide adequate evidence of options appraisal, financial assessment, risk management and independent challenge before public funds are committed.

The acquisition of Leale's Yard has been an important case study within the review, raising questions about the standards of governance and decision-making that should apply to major property transactions. The Committee considers these questions sufficiently significant to warrant detailed public examination.

When the factual accuracy process is complete, the Committee's conclusions and recommendations will be published.

Review of the Governance of the Investments of the States of Guernsey

The Committee commenced a review in 2024 of whether the States Investment Board (SIB) has delivered against the expectations set out in the 2021 Policy Letter on improving the governance of the States of Guernsey Investments. This included how the SIB is currently functioning within the overall current governance arrangements and whether the current governance arrangements in place for all investments of the States of Guernsey are appropriate. The review considered issues related, but not limited to, the current political oversight and governance of the States of Guernsey Investments, the risk/reward appetite, and social and environmental investment considerations.

The Investments Governance review was inherited from the previous committee with the original Review Panel having completed an initial draft report. The Committee's review examines the governance arrangements for approximately £3.5 billion of public and pension assets. Given the scale of these funds, the review has focused on whether the framework provides sufficient clarity of responsibility, independent challenge, transparency and accountability for investment decisions.

The review has concentrated on five principal areas:

1. **Governance and independent assurance:** Whether the respective responsibilities for investment strategy, implementation, oversight and independent assurance are appropriately defined and separated.

2. **Investment decisions and implementation costs:** Whether significant portfolio changes are supported by sufficiently comprehensive assessments of transaction costs, implementation risks and subsequent performance.
3. **Investment objectives and performance:** How risk and return objectives are established, differentiated between portfolios and assessed against investment outcomes.
4. **Pension fund governance:** Whether the governance arrangements adequately recognise the distinct responsibilities, liabilities and interests associated with pension assets.
5. **Strategic ownership and accountability:** Whether P&R, as the body ultimately responsible for these assets, exercises sufficiently explicit ownership of investment strategy, risk appetite and the principal decisions affecting the funds.

The review also considered the arrangements for independent evaluation of investment governance and performance, including the respective roles of those advising on and implementing investment decisions.

The Committee regards effective governance of these substantial public assets as a matter of fundamental importance. It will publish its conclusions and recommendations once the factual accuracy process is complete.

Recruitment & Retention Review

This review was also inherited from the previous committee and was a broad review of recruitment and retention. The current Panel have focused their immediate work on the rental allowance. P&R had already commissioned a separate review, which the Panel have not yet had sight of. The more focused current conclusions are intended to contribute to P&R's review.

Three points have emerged from work so far. First, the States should assess whether the allowance affects recruitment or retention outcomes, rather than infer its effectiveness from expenditure alone. Second, its cost, eligibility criteria and targeting should be clearly set out to support an assessment of value for money. Third, the analysis suggests that the housing allowance has contributed to higher rents. Although this has not established causality, the relationship appears clear from the data analysis and evidence reviewed. The work compiled will be presented in the form of a short interim summary to expedite its value. The expectation is to submit the findings to P&R shortly and publish a concise account thereafter; the submission has not yet been made.

5. Public Hearings and Letters of Comment

Possibly the Committee's most immediately visible public activity (and increasingly popular, with over a thousand views of our January hearing), public hearings oblige those responsible for decisions to explain the underlying evidence in a setting where members and the community can hear the questions and answers.

Five public hearings have taken place and four Letters of Comment submitted in the first year of this term. The public hearings have examined the States' Property Unit, the Fiscal Policy Framework, Housing, the 2025 States' Accounts and the Tax Reform proposals. The Letters of Comment addressed the 2026 Budget, the Fiscal Policy Framework, the Major Projects Portfolio and the 2025 States Accounts.

Five public hearings were held as below;

2025	**Public Hearings held**
November	Policy & Resources Committee - States' Property Unit
2026	
January	Policy & Resources Committee - Fiscal Framework
March	Committee *for* Housing
June	Policy & Resources Committee - States' Accounts 2025
July	Policy & Resources Committee - Tax Reform

The four Letters of Comment submitted carried that examination into the States debates. On the Budget, the Committee questioned spending growth and sustainability; on the Fiscal Policy Framework, the discipline and clarity of the rules; on the Major Projects Portfolio, prioritisation, affordability and business cases; and on the States' Accounts, whether the published figures explain the underlying financial position.

2025	**Letters of Comment**
October	Commentary on the 2026 Budget Report - P.2025/121 LoC
2026	
January	Fiscal Policy Framework - P.2025/136 LoC
April	Major Projects Portfolio Report 2026 - P.2026/19 LoC
June	States' Accounts 2025 - P.2026/43 LoC

The Hansard transcripts of the public hearings can be found at https://parliament.gg/scrutiny-reports

6. Public Accounts Sub- Committee (PASC)

The Public Accounts Sub-Committee (PASC) comprises five members: Deputy Andy Sloan as Chair; Mr Mark Le Page, SMC Non-States member; former Chief Minister Advocate Peter Harwood (OBE); Ms Claire Savage and Ms Eleanor Round, all of whom bring accountancy expertise. The Committee deliberately placed PASC at the centre of its work this term. Its members have led public examinations of the Fiscal Policy Framework and the States' Accounts and have contributed to correspondence on fiscal and expenditure matters. This dedicated membership has made scrutiny of the use of taxpayers' money a regular feature of the Committee's work. Furthermore, the Committee continues to consider whether scrutiny of the public accounts would benefit from a stronger formal mandate. The Committee has suggested that the PASC, rather than P&R, should appoint the auditors.

7. Legislation Review Panel (LRP)

The LRP has reviewed 40 pieces of legislation over the year.

The LRP is the only body checking proposed legislation and ensuring that the drafted legislation is in accordance with the Resolutions agreed by the States Assembly before it is presented in the States Assembly for approval, therefore, it plays a vital and important role in government.

Legislation of particular interest so far this term has been with the amendments to the Open Market Housing Register Law and the Long-Term Care Law.

A full list of all legislation considered in the first year is detailed in appendix 1.

8. Freedom of Information Appeals Panel

The Freedom of Information Appeals Panel is not a standing Panel in the terms of the Scrutiny Management Committee's mandate, but it is a permanent independent panel. The Appeals Panel offers a mechanism to challenge a Committee's refusal to release information by applied exemptions in the Freedom of Information Code (the Code). Specifically, it adjudicates on appeals against a refusal to release requested information in accordance with one or more exemptions contained in the Code. There have been three appeals submitted and considered by the Panel in the last year.

The Appeals Panel is an independent sub-panel comprising five suitably qualified and knowledgeable persons. Should an appeal be upheld by the Appeals Panel, the relevant Committee or Body will be requested to release the information.

The Appeals Panel members submitted a report to the Committee in December 2024 regarding its work to date and suggested some recommendations. One of its recommendations reflected the fact that currently under the existing Code, its decisions are not legally binding.

As a result of this recommendation a programme of activity was initiated, a draft Policy Letter was prepared and a public consultation undertaken. HM Comptroller subsequently identified two matters requiring clarification in the Code: the public-interest test must operate in both directions, and the distinction between absolute and qualified exemptions must be made explicit. P&R is responsible for the Code; therefore, a letter was sent to P&R regarding these matters and the advice given. The Committee hopes that P&R will clarify and address these issues and the statutory appeals proposal can then progress. It is envisaged that a targeted amendment will make the Panel's decisions binding without replacing the Code with comprehensive Freedom of Information legislation. This work requires care, but it is important that as an appeals system it must have authority as well as a sound rule book.

9. Access to Papers and the Public Accounts

In April, public comments suggested that the Committee had been unwilling to meet to consider a major property matter. The Committee lodged a Letter of Comment on 20 April 2026, setting out the sequence of events that had taken place: a November public hearing, a detailed information request, an incomplete response received in late February 2026, and further partial material submitted in March.

The Committee must record here the fact that rather too frequently it finds itself frustrated by the slow and seemingly reluctant engagement in the scrutiny process by committees. This matter frustrates scrutiny and hampers openness and transparency thereby damaging public trust in government.

The Committee subsequently did eventually receive sufficient evidence which, significantly, did not assuage its concerns which, in its view, vindicated its request for the additional documents.

The Committee believes that it cannot discharge its mandate by accepting an informal account when the underlying evidence exists. Prompt access to complete records is an obligation of accountable government, not a courtesy to scrutiny.

10. The Work Ahead

The Committee's main focus currently is to publish the SPU and Investments Governance reports after the factual accuracy process has been completed and to follow up on their recommendations. The focused Recruitment and Retention findings will be submitted for P&R's review and published in a concise form. The Freedom of Information Appeals Panel proposal will continue once P&R has addressed the two points raised concerning the Code. PASC will keep the Budget, annual accounts and the financial implications of major policy choices under review.

Electronic Patient Record and Our Hospital Modernisation Programme

The Electronic Patient Record (EPR) and the Our Hospital Modernisation (OHM) Programme represent major financial commitments and require public confidence. The Committee has announced it will establish an investigative panel for the EPR programme. The Panel will examine how the programme was governed, what was spent, what changed during delivery, and whether the claimed benefits can be evidenced. Hospital modernisation also warrants close scrutiny following the decision to stop Phase 2. While the Committee supports that decision given the escalation in estimated costs far beyond the approved £120 million budget, it believes that the circumstances leading to it - including the expenditure of approximately £8 million on consultants - require examination. This should address cost control, project governance and the value obtained from that expenditure, alongside the lessons for future capital projects. The public must also be able to see a credible account of cost, scope, risk and the choices available before further financial commitments are made.

At the time of writing exchanges with the Committee *for* Health & Social Care (HSC) have not yet delivered the openness or the pace of response those questions require. Delays can give rise to concerns that value for money for the taxpayer is no longer receiving the prominence it demands

in the oversight of these programmes. The papers and the decision records will continue to be pursued, and HSC given a full opportunity to explain its position in public.

11. Conclusion

Scrutiny that Changes Decisions

The Committee expects to examine significant policy letters while there is still time to add value and to follow through on recommendations resulting from its reviews. The Committee must retain the flexibility to respond to urgent matters. That flexibility only works if committees provide information promptly, disclose complete decision records and openly answer the questions put to them.

The Committee's first year has shown how much can be achieved when the Committee, PASC members and officers follow a question through. It has also shown how much effort is required simply to obtain the evidence. Scrutiny is a public test of whether decisions stand up: who made them, on what basis, at what cost and with what result. That test should be welcomed by any government confident in its decisions.

Appendix 1 - Legislation Reviewed this Term

The Legislation Review Panel (Legislation Review Panel) has reviewed, approved and directed the following legislation be transmitted to the States for consideration.

2025

1. Country Hospital Charitable Fund (Guernsey) Law, 2025
2. Family Allowances and Social Insurance (Guernsey) (Amendment) Law, 2025
3. Education (Governance Boards) Ordinance, 2025
4. Health and Safety at Work (General) (Guernsey) (Amendment) Ordinance, 2025
5. Open Market Housing Register (Guernsey) (Amendment) Law, 2025 (Commencement) Ordinance, 2025
6. Social Insurance (Rates of Contributions and Benefits etc.) Ordinance, 2025
7. Long-term Care Insurance (Guernsey) (Rates) Ordinance, 2025
8. Income Support (Implementation) (Amendment) (No.2) Ordinance, 2025
9. Sever Disability Benefit and Carers Allowance Ordinance, 2025
10. Family Allowances Ordinance, 2025
11. Medicines (Human and Veterinary) (Bailiwick of Guernsey) Law (Amendment) Ordinance, 2025
12. Income Tax (Guernsey) (Budget) Ordinance, 2025
13. Customs and Excise (General Provisions) (Bailiwick of Guernsey) (Amendment) Law, 2025

2026

14. Banking Deposit Compensation Scheme (Bailiwick of Guernsey)(Amendment) Ordinance, 2026
15. By-election Ordinance, 2026
16. Super Polling Station (By-election) Ordinance, 2026
17. Postal Voting (Amendment) (By-election) Ordinance, 2026
18. Electoral Expenditure (By-election) Ordinance, 2026
19. Family Allowances and Social Insurance (Guernsey) (Amendment) Law, 2026
20. Lending, Credit and Finance (Equity Release Mortgages) (Guernsey) Ordinance, 2026
21. Alderney eGambling (Operations in Guernsey) (Amendment) Ordinance, 2026
22. Education (Guernsey) (Amendment) Law, 2025 (Commencement) Ordinance, 2026
23. Education (Governance Boards) (Amendment) Ordinance, 2026
24. Alderney (Application of Legislation) (Education) Ordinance, 2026
25. Armed Forces (Offences and Jurisdiction) (Bailiwick of Guernsey) Law, 2018 (Commencement) Ordinance, 2026
26. States' Register of Contact Details (Guernsey and Alderney) Law (Amendment) Ordinance, 2026
27. Merchant Shipping (MARPOL Convention) (Bailiwick of Guernsey) Ordinance, 2026
28. Long-term Care Insurance (Amendment) (Guernsey) Law, 2026
29. Land Planning and Development (Plans) Ordinance, 2026

30. Land Planning and Development (Exemptions) (Amendment) Ordinance, 2026
31. Customs and Excise (General Provisions) (Bailiwick of Guernsey) (Amendment) (No. 2) Law, 2026
32. Open Market Housing Register (Guernsey) (Amendment) Law, 2026
33. Routes, Rues et Chemins (Amendment) Ordinance, 2026
34. Open Market Housing Register (Guernsey) (Amendment) Law, 2026
35. Social Insurance (Rates of Contributions and Benefits, etc.) Ordinance, 2026
36. Long-term Care Insurance (Guernsey) (Rates) Ordinance, 2026
37. Income Support (Implementation) (Amendment) Ordinance, 2026
38. Severe Disability and Carer's Allowance Ordinance, 2026
39. Family Allowances Ordinance, 2026
40. Tattooing, Piercing, Acupuncture and Electrolysis (Guernsey and Alderney) (Amendment) Ordinance, 2026

Appendix 2 - Memberships of the Committee and its Panels

Scrutiny Management Committee Membership

Deputy Andy Sloan – President
Deputy Liam McKenna – Vice-President
Deputy Haley Camp – Member
Advocate Charisma Lyall - Non-States Member
Mr Mark Le Page - Non-States Member

Legislation Review Panel Membership

Deputy Haley Camp (Chair)
Deputy Rob Curgenven (Vice Chair)
Deputy Garry Collins
Deputy Paul Montague
Deputy John Gollop
Advocate Simon Howitt
Advocate William Simpson

Public Accounts Sub-Committee Membership

Deputy Andy Sloan (Chair)
Advocate Peter Harwood (OBE)
Mr Mark Le Page
Ms Eleanor Round
Ms Claire Savage

Freedom of Information Appeals Panel Membership

Advocate Chris Green
Advocate Simon Howitt
Advocate Ian Kirk
Ms Susan Gordon Hardy
Ms Rachel Masterton

Investments Governance Review Panel Membership

Deputy Andy Sloan
Deputy Haley Camp
Ms Grace Ruddy
Mr Mark Le Page
Mr Ashley Paxton

Recruitment & Retention Review Panel Membership

Deputy Haley Camp
Advocate Charisma Lyall

Appendix 3 - Scrutiny Management Committee Mandate

Constituted as a committee of the States with effect from the 1st of May 2016 by resolutions of the States of the 9th of July 2015 and the 27th of November 2015.

- **Constitution**

A President who shall be a member of the States: provided that the President of the Scrutiny Management Committee shall not be the President or a member of the Policy & Resources Committee or the President or a member of any of the six Principal Committees; and two members who shall be members of the States: provided that a member of the Scrutiny Management Committee shall not be the President or a member of the Policy & Resources Committee or the President or a member of more than one of the six Principal Committees; and two voting members who shall not be members of the States and who shall be elected by the States.

- **Duties & Powers**

To lead and co-ordinate the scrutiny of committees of the States and those organisations which are in receipt of public funds, or which have been established by legislation, by reviewing and examining legislation, policies, services and the use of monies and other resources.

As far as is reasonably practicable, to appoint scrutiny panels (whether task and finish or standing panels) to carry out the work of reviewing and scrutinising committees' policies and services and their management of monies and other resources entrusted to them: provided that neither the President nor the members of the Policy & Resources Committee shall serve on such scrutiny panels and also provided that the Committee retains the power, if it so wishes, to carry out any review itself rather than through an appointed panel and also provided that the Committee shall at all times be responsible, and accountable to the States, for everything done by the Committee and any panels it has appointed, including the content of any report issued under its name.

To appoint a Legislation Review Panel to carry out the functions of legislative scrutiny in Article 66 of the Reform Law and also to recommend any changes to legislation from which it believes the Island may benefit: provided that the Committee shall at all times be responsible, and accountable to the States, for everything done by the Legislation Review Panel; and to constitute the Legislation Review Panel as follows: a President who shall be a member of the Scrutiny Management Committee and also a member of the States, a minimum of four other States' members, a minimum of two non-voting members who shall not be members of the States, and any number of additional and occasional non-voting members as the Scrutiny Management Committee sees fit for the purposes of review of any item of legislation or any other matter: provided that such additional and occasional non-voting members may or may not be members of the States and also provided that neither the President nor the members of the Policy & Resources Committee shall serve on the Legislation Review Panel.

To scrutinise any matter contained in a policy letter which has been referred to the Committee by resolution of the States in accordance with any terms set out in the resolution and to submit

to the States its findings thereon within a period of time set out in the resolution, which findings, together with the original matter, shall be laid before the States.

To promote and facilitate the participation in scrutiny of the widest possible range of States' members and persons independent of the States.

When determining the subject of its reviews and examinations, to pay particular attention to the performance of committees in contributing to States' objectives and policy plans and to matters which are of substantial importance or of significant public interest.

To recognise that the carrying out of scrutiny in public where possible is likely to contribute positively to public perceptions of scrutiny.

To submit a report to the States annually which reviews the work of the Committee and its panels over the previous 12 months, and which sets out the Committee's objectives and, to the extent that it is possible while retaining a flexible and responsive approach to scrutiny, an indicative programme of work over the next 12 months.

To represent the work of scrutiny in the States, and publicly to promote and champion the value of scrutiny.

To advise the States if and when in its opinion circumstances justify the establishment of a Tribunal of Inquiry in accordance with the Tribunals of Inquiry (Evidence) (Guernsey) Law, 1949, as amended.

To exercise powers and perform duties conferred on the Committee by extant States' resolutions, including those resolutions or parts of resolutions which relate to matters for the time being within the mandate of the Scrutiny Management Committee and which conferred functions on the former Legislation Select Committee, Public Accounts Committee and Scrutiny Committee.

To fulfil the responsibilities set out in Annex One to the mandates of committees of the States.

- **Operational Functions**

To deliver or oversee the delivery of, and to be accountable to the States for, any operational functions conferred on the Committee by way of extant legislation or resolutions of the States or which may be allocated to the Committee in Annex Two to the mandates of committees of the States.