



BILLET D'ÉTAT

WEDNESDAY, 14th JULY, 2021

XIV
2021

ELECTIONS AND APPOINTMENTS

Appointment laid before the States

Appointment of an Ordinary Member and Chairman of the Office of the Financial Services Ombudsman

Appointments for Approval

1. Committee for Home Affairs - Independent Monitoring Panel: Appointment of New Members and Notification of Resignation, P.2021/48
2. Committee for Health & Social Care - Re-appointment of the Medical Director as Responsible Officer under the Regulation of Health Professions (Medical Practitioners) (Guernsey and Alderney) Ordinance, 2015, P.2021/67
3. Policy & Resources Committee - The Administrative Decisions (Review) Guernsey Law, 1986 – The Appointment of Additional Members of the Complaints Panel, P.2021/68

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4. States' Assembly & Constitution Committee - General Election 2020: Reports from the CPA BIMR Election Expert Mission and the Registrar-General of Electors, P.2021/46

LEGISLATIVE BUSINESS

Legislation laid before the States

The Copyright (Prescribed Libraries, Archives, Museums and Galleries and Copying of Copyright Materials) (Bailiwick of Guernsey) Regulations, 2021
The Emergency Powers (Coronavirus) (Vaccine) (Limitation of Liability) (No. 4) (Bailiwick of Guernsey) Regulations, 2021

CONTINUED OVERLEAF

The Emergency Powers (Coronavirus) (General Provision) (Bailiwick of Guernsey) (No. 4) Regulations, 2021
The Emergency Powers (Coronavirus) (General Provision) (Bailiwick of Guernsey) (No. 4) (Amendment) Regulations, 2021
The Emergency Powers (Coronavirus) (Vaccine) (Limitation of Liability) (No. 5) (Bailiwick of Guernsey) Regulations, 2021
The Emergency Powers (Coronavirus) (General Provision) (Bailiwick of Guernsey) (No. 5) Regulations, 2021
The Emergency Powers (Coronavirus) (General Provision) (Bailiwick of Guernsey) (No. 5) (Amendment) Regulations, 2021
The Prison (Guernsey) (Amendment) Regulations, 2021
The Tobacco Advertising and Related Activities (Guernsey) Regulations, 2021

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5. Committee *for* Health & Social Care - The Abortion (Guernsey) (Amendment) Law, 2021, P.2021/60
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7. Committee *for* Employment & Social Security - The Health and Safety at Work (Equality Provisions) Ordinance, 2021, P.2021/62
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OTHER BUSINESS

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13. Policy & Resources Committee, Committee *for* Economic Development & States' Trading Supervisory Board - Guernsey Electricity – Interim Amendments for Tariff Regulation, P.2021/65
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APPENDIX REPORTS

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Committee *for* Economic Development - Office of the Public Trustee Annual Report 2019

BILLET D'ÉTAT

TO THE MEMBERS OF THE STATES OF THE ISLAND OF GUERNSEY

I hereby give notice that a Meeting of the States of Deliberation will be held at **THE ROYAL COURT HOUSE**, on **WEDNESDAY the 14th July, 2021** at **9.30 a.m.**, to consider the items listed in this Billet d'État which have been submitted for debate.

R. J. McMAHON
Bailiff and Presiding Officer

The Royal Court House
Guernsey

21st June, 2021

APPOINTMENT LAID BEFORE THE STATES OF DELIBERATION

COMMITTEE FOR ECONOMIC DEVELOPMENT

APPOINTMENT OF AN ORDINARY MEMBER AND CHAIRMAN OF THE OFFICE OF THE FINANCIAL SERVICES OMBUDSMAN

In accordance with paragraphs 1(2) and 2(2) of schedule 1 to the Financial Services Ombudsman (Bailiwick of Guernsey) Law, 2014, the following appointments, by the Committee *for* Economic Development, to the Office of the Financial Services Ombudsman, are laid before the States of Deliberation:

- Mr. John Mills CBE as ordinary member with effect from 31st January 2022.
- Mr David Thomas as Chairman with effect from 31st January 2022.

Mr. Mills and Mr. Thomas have been appointed until 30th January 2023.

The States of Deliberation have the power to annul the appointments.

The Committee *for* Economic Development has concluded that Mr. Mills is suitable to be an ordinary member of the Office of the Financial Services Ombudsman, and that Mr. Thomas is suitable to be Chairman of the Office of the Financial Services Ombudsman.

A summarised version of the curriculum vitae of Mr. Mills is provided below.

Mr. John Mills

	Position/company:	Dates:
Career:	Director of Rural Policy, DEFRA.	2003-2007
	Chief Executive, States of Jersey.	1999-2003
	Chief Executive, Cornwall County Council.	1995-1999
	Director of Consumer Affairs, Office of Fair Trading.	1992-1995
	Member of the Prime Minister's Policy Unit.	1989-1992
	Principal Assistant Secretary for the Civil Service, Government of Hong Kong.	1981-1985
	Private Secretary to the UK Minister for Industry.	1976-1978
Professional qualifications:	MA, B.Litt, Oxford University.	
Current/recent	Jersey Charity Commissioner	2017 - current
Non-Executive	Member, board of the Office of the Financial Services Ombudsman (Guernsey).	2015 - current
Directorships	Member, board of the Office of the Financial Services Ombudsman (Jersey)	2015 - current
	Deputy Chairman, Ports of Jersey Limited (including shadow board 2010-15).	2010-2019

Commissioner, Jersey Financial Services Commission.	2009-2014
Member, Ports of London Authority	2008-2014

A summarised version of the curricula vitae of Mr. Thomas is provided below.

Mr. David Thomas

Career:	Position/company:	Dates:
	Council member, Queen Mary University of London	2016 - 2014
	Member of the Regulatory Board, Association of Chartered Certified Accountants.	2013 - 2019
	The World Bank, expert consultant internationally on ADR and financial consumer protection	2012 - current
	Independent Service Delivery Reviewer, the Scottish Public Services Ombudsman.	2011 - 2014
	Strategy adviser, Financial Ombudsman Service (UK).	2010 - 2014
	Board member, Legal Ombudsman (England and Wales)	2009 - 2015
	Committee Member, the Worldwide International Network of Financial Ombudsmen.	2009 - 2014
	Chief Ombudsman, Financial Ombudsman Service (UK).	2009 - 2010
	Founder member, The Audit and Advisory Committee of the Scottish Public Services Ombudsman.	2007 - 2011
	Founder member, The Steering Committee of the European Union Network of Financial Ombudsmen.	2006 -2011
	Principal Ombudsman and Corporate Director, Financial Ombudsman Service (UK).	2004 -2009
	Founder member, Accountancy and Actuarial Discipline Board (UK)	2001 - 2009
	Principal Ombudsman, Financial Ombudsman Service (UK).	1999 - 2004
	Banking Ombudsman, Office of the Banking Ombudsman (UK).	1997 - 1999
	Solicitor in private practice (Liverpool and London), including Managing Partner and Chairman.	1969 - 1996
Professional qualifications:	Solicitor (England and Wales).	1969
	Solicitor (Ireland).	1991
Professional memberships:	Committee member, City of London Law Society.	2005 - 2009
	Liveryman, City of London Solicitors' Company.	2004 - current
	Council member, Law Society of England and Wales.	1987 - 1996
	General Committee member, Liverpool Law Society.	1978 – 1996
Current/recent Non-Executive Directorships	Chairman, South West Mutual Ltd (SW England)	2019 - current
	Chairman, board of the Office of the Financial Services Ombudsman (Guernsey).	2014 - current

Appointment of an Ordinary Member and Chairman of the Office of the Financial Services Ombudsman

Chairman, board of the Office of the Financial
Services Ombudsman (Jersey).

2014 - current

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE *FOR* HOME AFFAIRS

INDEPENDENT MONITORING PANEL:
APPOINTMENT OF NEW MEMBERS AND NOTIFICATION OF RESIGNATION

The States are asked to decide: -

1. Whether, after consideration of the Policy Letter dated 26th April 2021, of the Committee *for* Home Affairs, they are of the opinion:
 - (a) To confirm the appointment of Susan Henney as a member of the Independent Monitoring Panel for a period of four years from 18th January 2021,
 - (b) To confirm the appointment of Alfia Dance as a member of the Independent Monitoring Panel for a period of four years from 5th February 2021,
 - (c) To confirm the appointment of Andrea Fuller as a member of the Independent Monitoring Panel for a period of four years from 5th February 2021,
 - (d) To confirm the appointment of Kelly Prevel as a member of the Independent Monitoring Panel for a period of four years from 15th March 2021,
 - (e) To confirm the appointment of Nigel Bartlett as a member of the Independent Monitoring Panel for a period of four years from 20th April 2021,
 - (f) To confirm the appointment of Marc Cohen as a member of the Independent Monitoring Panel for a period of four years from 15th March 2021, and
 - (g) To note the resignation of Mr Anthony Talmage with effect from 7th April 2021 as Chair and Member of the Independent Monitoring Panel.

The above Propositions have been submitted to Her 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

COMMITTEE *FOR* HOME AFFAIRS

INDEPENDENT MONITORING PANEL:
APPOINTMENT OF NEW MEMBERS AND NOTIFICATION OF RESIGNATION

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

26th April 2021

Dear Sir

1. Executive Summary

- 1.1. The purpose of this Policy Letter is to obtain confirmation from the States of the appointments made by the Committee *for* Home Affairs ("The Committee") of six new members to the Independent Monitoring Panel ("the Panel") and to formally notify the Assembly of the resignation of the Chairman of the Panel, Mr Anthony Talmage.

2. Background

- 2.1. The Panel is an independent body made up of members of the public who make unannounced visits to Guernsey Prison. Members provide independent oversight of the day-to-day operations of the Prison and prison conditions, monitor the administration of the prison, the treatment of prisoners and whether the statutory objectives of the prison system are being met, and serve to protect the well-being of prisoners.
- 2.2. The Committee would like to take this opportunity to put on record its thanks and appreciation to all existing Panel Members for their commitment and dedication to their roles.

3. Appointment of New Members to the Panel

- 3.1. Under section 17 of the Prison (Guernsey) Ordinance, 2013 Panel Members must be appointed by the Committee, subject to confirmation by the States within the same year of appointment. Appointment is for a period of four years or less.

- 3.2. When making Panel appointments, pursuant to paragraph 1(3) of Schedule 3 to the Ordinance, the Committee must have particular regard to the need to *“ensure that Panel members have a strong commitment to human rights, have a strong sense of integrity, are able to maintain confidentiality, and have effective communication and listening skills.”*
- 3.3. An advertising campaign for the recruitment of Panel Members was undertaken in 2020 and following an open and transparent recruitment process, interviews were held.
- 3.4. No formal qualifications are required for membership of the Panel. The Panel looks to attract individuals who are fair, objective and non-judgemental. It is expected that potential members will have some experience of working with confidential information and will have experience dealing with a wide variety of people from different backgrounds.
- 3.5. The Chairman of the Panel considered that all six applicants demonstrated in interview that they met the above criteria and they were recommended for appointment to the Committee.

4. Ordinary members – 4 year appointment

- 4.1. Mrs Alfia Dance is a financial risk officer and has, over the years, worked as a teacher and a trainee solicitor within criminal and immigration law in Australia.
- 4.2. Mrs Susan Henney is an independent social worker with a wealth of experience working in the criminal justice system in Guernsey. Mrs Henney lead the Family Proceedings Advisory Service (FPAS) before setting up her own independent social work business.
- 4.3. Mrs Andrea Fuller is now retired having had a career spanning 25 years at the Healthcare Group. Mrs Fuller has been involved in various charitable work including presiding as Chair of the Cancer Research Branch in Guernsey.
- 4.4. Mrs Kelly Prevel owns and operates a local hairdressing salon and this has given her a wealth of experience dealing with a variety of people from different backgrounds. She has an open mindset and is a keen listener.
- 4.5. Mr Nigel Bartlett is a retired dentist and has experience dealing with people from all walks of life. Mr Bartlett applied for the role as he wishes to make a contribution to the community.
- 4.6. Mr Marc Cohen is a businessman and is Chairman of the Cambridge Alumni Society in Guernsey. Mr Cohen hopes that this role will provide some balance in his day to

day life and he is able to balance his existing commitments to ensure that he is able to dedicate time to the role.

- 4.7. All the applicants demonstrated sound judgement and presented as approachable people who respect confidentiality and had sound listening skills. The applicants were all able to identify and articulate the different challenges facing the prison locally and demonstrated a strong commitment to supporting the role of the Panel and the vision for the prison. The Committee believe that the appointments will effectively supplement the skills of the existing five Panel Members to form a cohesive and resilient panel.

5. Resignation of Chairman

- 5.1. Mr Talmage was first appointed as a member of the Panel in January 2015 and was appointed to the role of Chairman in July 2019.
- 5.2. The Committee received formal notification of Talmage's resignation on 8th April 2021.
- 5.3. Schedule 3 to the Prison (Guernsey) Ordinance, 2013 states that *"a Panel Member may resign from office at any time by giving notice in writing to the Committee"*.
- 5.4. Schedule 3 to the Ordinance further states that *'The Committee must notify the States of the resignation or removal from office of the Chairman or any other Panel member at the first available opportunity'* and that *"The validity of any proceedings of the Panel is unaffected by a vacancy in its members, by any defect in the election or appointment of a member or any lack of qualification of a person to act as a member."*
- 5.5. The Panel will appoint a member to act as Chairman at its next meeting on 1st June 2021 and the Committee will inform the States at the earliest opportunity.
- 5.6. The Committee would like to take this opportunity to put on public record its thanks and appreciation to Mr Talmage for his dedication to the role.

6. Compliance with Rule 4

- 6.1 In accordance with Rule 4(1), the Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.
- 6.2 In accordance with Rule 4(4) of the Rules of Procedure of the States of Deliberation and their Committees, it is confirmed that the propositions above have the majority support of the Committee. (Deputy Le Tissier was not present at the time this Policy Letter was agreed by the Committee).

6.3 In accordance with Rule 4(5), the Propositions relate to the duties of the Committee to advise the States and to develop and implement policies on matters relating to its purpose including imprisonment, parole, probation and rehabilitation.

Yours faithfully

R G Prow
President

S P J Vermeulen
Vice-President

M P Leadbeater
C J Le Tissier
A W Taylor

P A Harwood
Non-States Member

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE *FOR* HEALTH & SOCIAL CARE

RE-APPOINTMENT OF THE MEDICAL DIRECTOR AS RESPONSIBLE OFFICER UNDER THE
REGULATION OF HEALTH PROFESSIONS (MEDICAL PRACTITIONERS) (GUERNSEY AND
ALDERNEY) ORDINANCE, 2015

The States are asked to decide:-

Whether, after consideration of the Policy Letter entitled 'Re-appointment of the Medical Director as Responsible Officer under The Regulation of Health Professions (Medical Practitioners) (Guernsey and Alderney) Ordinance, 2015, dated 28th May 2021, they are of the opinion:-

1. To re-appoint Dr Peter Rabey as Responsible Officer for Guernsey and Alderney, under section 10(1) of The Regulation of Health Professions (Medical Practitioners) (Guernsey and Alderney) Ordinance, 2015, for both classes of medical practitioners for whom revalidation is required – with effect from 8th March 2021 for a period of 5 years.

The above Propositions have been submitted to Her 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

COMMITTEE *FOR* HEALTH & SOCIAL CARE

RE-APPOINTMENT OF THE MEDICAL DIRECTOR AS RESPONSIBLE OFFICER UNDER THE
REGULATION OF HEALTH PROFESSIONS (MEDICAL PRACTITIONERS) (GUERNSEY AND
ALDERNEY) ORDINANCE, 2015

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

28th May, 2021

Dear Sir

1 Executive Summary

- 1.1 The appointment to Responsible Officer ('RO') is made by the States of Deliberation on the recommendation of the Committee *for* Health & Social Care ('Committee') under section 10(1) of The Regulation of Health Professions (Medical Practitioners) (Guernsey and Alderney) Ordinance, 2015 ('Ordinance').
- 1.2 It is the role of the RO to oversee the regulation of doctors who practise locally, according to the revalidation standards set out by their professional regulator - the General Medical Council ('GMC').
- 1.3 Dr Peter Rabey, the Medical Director for Health and Social Care, was appointed as RO under section 10(1) of the Ordinance on 8th March 2016 for a term of 5 years, which recently expired. The Committee would like to nominate Dr Rabey for re-appointment to the role of RO for Guernsey and Alderney for both classes of medical practitioners for whom revalidation is required, for a period of 5 years with effect from 8th March 2021.
- 1.4 The recommendation to re-appoint Dr Rabey as RO was made by the Committee at its meeting on 18th May 2021 and it can confirm that he continues to satisfy the eligibility for the role as set out in section 10(6) of the Ordinance.

2 Background

- 2.1 In November 2009 the GMC established a new system of regulating doctors,

when it introduced the requirement for a licence to practise. In order to retain their licence, all doctors must take part in medical revalidation which requires regular appraisals to demonstrate that they are fit to practise across all of their roles.

- 2.2 Revalidation provides a framework within which doctors are required to maintain and improve their practice and is overseen by a RO. It is the mandate of a RO to make a recommendation to the GMC as to the appropriateness of re-issuing licences to practise for doctors in a given organisation. The RO is also required to revalidate their practice, overseen by an independent RO in the United Kingdom (UK).
- 2.3 A RO regime has been in place for Guernsey and Alderney since 1st February 2014 and was placed on a statutory footing via The Regulation of Health Professions (Medical Practitioners) (Guernsey and Alderney) Ordinance, 2015. Dr Peter Rabey, the Medical Director for Health and Social Care, was appointed as RO under section 10(1) of the Ordinance on 8th March 2016. While the Ordinance limits the term of office of a RO to 5 years, with the ability to reappoint, this time limit was unfortunately not included in the Resolution appointing Dr Rabey and therefore there has been an oversight in recommending his reappointment to the States. The Committee regrets this oversight.
- 2.4 Provision under section 10(3) of the Ordinance enables the Policy & Resources Committee ('P&RC') to appoint a second or further ROs if it considers there to be a conflict of interest or an appearance of bias in relation to the RO and any other registered practitioner. As you would expect in a small community, it is likely that matters arise from time to time in which it might be considered that a conflict of interest exists. On this basis Dr Nicola Brink was appointed as second RO in 2019 for both classes of medical practitioner. Her appointment replaced the previous second RO, Dr Martyn Siodlak upon his retirement. As a family member of Dr Rabey also practises medicine in the Bailiwick, Jersey-based Dr John McNerney was also appointed as a further RO by P&RC to maintain absolute independence for the revalidation of this doctor. Both Dr Brink and Dr McNerney's revalidation is overseen by a UK RO and both continue to perform their duties under the Law to support the regulation of medical practitioners practising in Guernsey and Alderney.

3 Re-appointment of the Medical Director for Health and Social Care as Responsible Officer for Guernsey and Alderney

- 3.1 The Committee would like to nominate Dr Peter Rabey for re-appointment to the role of RO for Guernsey and Alderney for both classes of medical practitioners for whom revalidation is required, namely: i) local practitioners and ii) UK connected practitioners. These classes refer to doctors employed locally and those doctors who practice in the islands as visiting consultants.

- 3.2 The recommendation to re-appoint Dr Rabey as RO for Guernsey and Alderney was formally agreed by the Committee at its meeting on 18th May 2021. The Committee is pleased to confirm that he satisfies the eligibility criteria for the role as set out in section 10(6) of the Ordinance. A summary of Dr Rabey's curriculum vitae is appended to this Policy Letter (**Appendix 1**).
- 3.3 The Committee therefore asks the States to formally re-appoint Dr Rabey as RO for Guernsey and Alderney for both classes of medical practitioner, with effect from 8th March 2021 for a period of 5 years.

4 Compliance with Rule 4

- 4.1 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.
- 4.2 In accordance with Rule 4(1), the Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications. She has advised that there is no reason in law why the Propositions should not be put into effect.
- 4.3 In accordance with Rule 4(4) of the Rules of Procedure of the States of Deliberation and their Committees, it is confirmed that the propositions above have the unanimous support of the Committee.
- 4.4 In accordance with Rule 4(5), the Propositions relate to the duties of the Committee in relation to the regulation of professionals who provide health and social care services.

Yours faithfully

A H Brouard
President

T L Bury
Vice-President

M P Leadbeater
A D S Matthews
A Snowdon

E J Litten
Non-States Member

G A Oswald

Non-States Member

Curriculum Vitae Summary

Dr Peter Rabey

Dr Rabey joined Health and Social Care Services as Medical Director in November 2015. He was appointed as Responsible Officer by the States of Guernsey in March 2016. The General Medical Council (GMC) appointed him as “Suitable Person” for doctors in the Bailiwick who do not have a connection to a UK Designated Body in March 2016; a role he continues to fill.

As Responsible Officer Dr Rabey maintains close working relationships with the GMC through the local GMC Employment Liaison Advisor. He has submitted annual reports to the States in his RO role, which provide detail of the activities undertaken in this area of his responsibilities. Dr Rabey takes an active part in the NHS Southeast Responsible Officer Network. Revalidation of local doctors has proceeded smoothly since Dr Rabey’s appointment with 125 positive revalidation recommendations all having been accepted by the GMC. Doctors have been appropriately referred to the GMC when required as indicated in the annual Responsible Officer reports. Local completed appraisal rates for doctors exceed NHS England benchmarks.

Prior to his appointment in Guernsey Dr Rabey was the Deputy Medical Director and Responsible Officer for one of England’s largest NHS trusts, University Hospitals of Leicester (UHL). In that role he was Responsible Officer for some 850 consultant and associate specialist doctors. He had previously filled several high level management positions at UHL, including Divisional Director for Acute Services, Divisional Director for Womens and Childrens Services, Assistant Medical Director leading on the UHL Hospital Modernisation project, and Clinical Director for Anaesthetic services. He was also the Secondary Care member for the Leicester City Clinical Commissioning Group, providing experience of NHS commissioning processes.

Dr Rabey served the maximum permitted 8 years as a panellist on Fitness to Practice panels for the General Medical Council and the Medical Practitioners Tribunal Service (MPTS). This provided invaluable experience on the processes involved in managing doctors whose fitness to practice is in doubt on behalf of the GMC and MPTS.

He has also served for the Royal College of Anaesthetists as a member of their Anaesthetic Review Team, which involves undertaking invited reviews of anaesthetic departments across the UK.

He remains a practicing consultant in anaesthetics in addition to his Medical Director and Responsible Officer roles.

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY POLICY &
RESOURCES COMMITTEE

THE ADMINISTRATIVE DECISIONS (REVIEW) GUERNSEY LAW, 1986 – THE
APPOINTMENT OF ADDITIONAL MEMBERS TO THE COMPLAINTS PANEL

The States are asked to decide:-

Whether, after consideration of the Policy Letter entitled “The Administrative Decisions (Review) Guernsey Law, 1986 – The Appointment of Additional Members of the Complaints Panel”, dated 18 May 2021, they are of the opinion: -

1) To appoint:

- (a) Mr. Christopher Bound;
- (b) Advocate Thomas Carey;
- (c) Mr. Andrew James Castle;
- (d) Mr. David Anthony Chapman;
- (e) Mr. Richard Denton;
- (f) Advocate Simon Patrick Florance;
- (g) Mrs. Zoë Carmen Candida Lihou;
- (h) Ms. Joanne May;
- (i) Mr. George Arthur Riley;
- (j) Miss. Lisa-Jayne Vizia; and
- (k) Ms. Gayla Lynne Wright

as members of the Complaints Panel, in accordance with section 1A(1) of the Law.

2) To note the appointments of:

- (a) Mr. Christopher Bound;
- (b) Advocate Thomas Carey;
- (c) Mr. Andrew James Castle;
- (d) Mr. David Anthony Chapman;
- (e) Mr. Richard Denton;
- (f) Advocate Simon Patrick Florance;
- (h) Mrs. Zoë Carmen Candida Lihou;
- (i) Ms. Joanne May;
- (j) Mr. George Arthur Riley;

- (k) Miss. Lisa-Jayne Vizia;
- (l) Ms. Gayla Lynne Wright;
- (m) Ms. Shelaine Kay Green;
- (n) Advocate Michael Adkins;
- (o) Mrs. Jennifer Benjamin;
- (p) Mrs. Audrey Branch;
- (q) Mr. Roy Burke;
- (r) Mr. Ian Carter;
- (s) Mr. David Harry, and
- (t) Advocate Julia White

as independent Members of the Review Board.

The above Propositions have been submitted to Her 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.

POLICY & RESOURCES COMMITTEE

THE ADMINISTRATIVE DECISIONS (REVIEW) GUERNSEY LAW, 1986 – THE APPOINTMENT OF ADDITIONAL COMPLAINTS PANEL MEMBERS

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

18 May 2021

Dear Sir

1. Executive Summary

- 1.1 The “Review Board System”, as it is referred to colloquially under the Administrative Decisions (Review) (Guernsey) Law, 1986 (“the Law”), consists of three independent bodies/functions: the Complaints Panel, the Panel of Members and the Review Boards convened to hear a matter referred to them. These bodies hold Committees of the States to account for a range of administrative decisions and actions that they make against which a person remains aggrieved after exhausting all internal complaints processes. A diagram in Appendix 2 of this Policy further explains the process.
- 1.2 Section 1(A)(1) and 1(A)(2) of the Law requires the States of Deliberation, upon the recommendation of the Policy and Resources Committee (as the sponsoring Committee for these functions) to appoint an independent Complaints Panel consisting *“of such number of persons as in the opinion of the States is necessary for the purposes of carrying out the functions of the Complaints Panel”* and whose membership shall be composed of *“persons who, in the opinion of the States, have sufficient experience and knowledge to enable them to decide matters likely to fall for decision by the Complaints Panel.”*
- 1.3 In September 2019, the States of Deliberation appointed the first ten members to the Complaints Panel, to serve until the next General Election. Advocate Michael John Adkins was appointed as member and chairman of the Complaints Panel. Mrs. Jennifer Benjamin, Mr. John Bate, Mrs. Audrey Branch, Mr. Roy Burke, Mr. Ian Carter, Ms. Shelaine Green, Mr. Boyd Kelly, Mr. David Harry and Advocate Julia White were also appointed as members.

- 1.4 In addition, Section 4 of the Law requires the Chairman of the Panel of Members to appoint an independent Member (who is not a States Member nor a Dean of the Douzaine) to sit on each Review Board that is convened. With the exception of Ms. Shelaine Green, who did not apply for the role in 2019, the same persons listed in paragraph 1.3 were also appointed to serve a standing panel of independent Members of a Review Board until the General Election in 2020.
- 1.5 Mr. Bate and Mr. Kelly have since resigned from both the Complaints Panel and the standing panel of independent Members of a Review Board in order to pursue other interests. The Committee wishes to thank them both and the serving members of the Panel for volunteering their time and energy to serve the Review Board system.
- 1.6 The Law does not numerically limit the membership of the Complaints Panel. To date, cases referred to the Complaints Panel are investigated concurrently, engaging multiple members. Given the size of jurisdiction, some members are unable to be involved in a matter due to conflicts of interest or for other valid reasons. In order to ensure that the Complaints Panel and each Review Board have the capacity to operate effectively to fulfil their legal duties under the Law including making timely decisions, both panels require a number of additional members.
- 1.7 The purpose of this Policy Letter is to ask the States of Deliberation to appoint eleven additional members to the Complaints Panel:
- a) Mr. Christopher Bound, Advocate Thomas Carey, Mr. Andrew James Castle, Mr. David Anthony Chapman, Mr. Richard Denton, Advocate Simon Patrick Florance, Ms. Zoë Carmen Candida Lihou, Ms. Joanne May, Mr. George Arthur Riley, Miss. Lisa-Jayne Vizia and Ms. Gayla Lynne Wright in accordance with section 1A(1) of the Law.

2. The Appointments Process for the standing panel of independent Members and the Complaints Panel

- 2.1 In late 2020, the Policy & Resources Committee advertised widely for members of both the Complaints Panel and the standing panel of independent Members. All of the proposed candidates listed in this Policy Letter applied to be appointed to the Complaints Panel. Ms. Shelaine Green and all of the proposed candidates also applied to be part of the standing panel of independent Members, given the similar skills and experience required for both roles.
- 2.2 The Committee wishes to thank all eighteen applicants for their interest in these roles.

2.3 All of the applicants were interviewed by Deputy Carl Meerveld, the current Chairman and Mrs. Christine Goodlass, the current Vice Chairman respectively of the Panel of Members, together with Advocate Michael Adkins, the Chairman of the Complaints Panel and the Principal Officer to the Review Board System.

2.4 The interview panel was impressed with the calibre and the broad range of experience of all the applicants, especially as demonstrated during their interviews. The proposed candidates have a very good understanding of the roles and the skills that would be required of them to ably carry out their functions under the Law, including the ethics required to deliver unbiased and fair decisions. They all also demonstrated the important skills required to work together as a team.

3. Appointments to standing panel of independent Members

3.1 As part of the joint recruitment process, the Chairman of the Panel of Members, acting under the powers conferred to him under section 4 of the Law has re-appointed Advocate Michael Adkins, Mrs. Jennifer Benjamin, Mrs. Audrey Branch, Mr. Roy Burke, Mr. Ian Carter, Mr. David Harry and Advocate Julia White as independent Members of a Review Board.

3.2 In addition, Ms. Shelaine Green and those persons proposed in this Policy Letter as additional members of the Complaints Panel, namely: Mr. Christopher Bound, Advocate Thomas Carey, Mr. Andrew James Castle, Mr. David Anthony Chapman, Mr. Richard Denton, Advocate Simon Patrick Florance, Mrs. Zoë Carmen Candida Lihou, Ms. Joanne May, Mr. George Arthur Riley, Miss. Lisa-Jayne Vizia and Ms. Gayla Lynne Wright were also all appointed to serve the standing panel of independent Members of the Review Board until the next General Election.

4. Recommendations for appointment to serve on the Complaints Panel

4.1 The Policy & Resources Committee is satisfied that all those listed in paragraph 4.3 below have the requisite skills and experience and are fit and able to carry out the functions of the Complaints Panel as established under the Law.

4.2 The proposed composition of the Panel represents a good balance and diversity in experience, skills, gender and backgrounds, all of which facilitate and enrich good team - work and decision-making.

4.3 The Policy & Resources Committee proposes:

- Mr. Christopher Bound;
- Advocate Thomas Carey;
- Mr. Andrew James Castle;
- Mr. David Anthony Chapman;

- Mr. Richard Denton;
- Advocate Simon Patrick Florance;
- Mrs. Zoë Carmen Candida Lihou;
- Ms. Joanne May;
- Mr. George Arthur Riley;
- Miss. Lisa-Jayne Vizia; and
- Ms. Gayla Lynne Wright,

be appointed as members of the Complaints Panel, in accordance with Section 1A(1) of the Law.

- 4.4 The Policy and Resources Committee is of the opinion that all the proposed candidates meet the requirements of Section 1A(2) of the Law and they *“have sufficient experience and knowledge to enable them to decide matters likely to fall for decision by the Complaints Panel”*.
- 4.5 Section 1A(5) of the Law prevents members of the Complaints Panel from membership of the States of Deliberation and its committees. Complaints Panel Members may not be a Dean of a Douzaine, nor hold Judicial office in the Bailiwick or be an employee of the States. The Policy and Resources Committee confirms that the candidates are not excluded by Section 1A(5) of the Law.
- 4.6 A short summary of the curriculum vita of each of the proposed appointees is set out in Appendix 1 to this Policy Letter.

4. Compliance with Rule 4

- 4.1 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.
- 4.2 In accordance with Rule 4(1), the Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.
- 4.3 In accordance with Rule 4(3), the costs associated with the operation of the Complaints Panel and the operation of the Review Board process will be met from with the budget already allocated for this function.
- 4.4 In accordance with Rule 4(4), the Propositions have the unanimous support of the President and Members of the Policy & Resources Committee.

Yours faithfully

P T R Ferbrache
President

H J Soulsby
Vice-President

M A J Helyar
J P Le Tocq
D J Mahoney

APPENDIX 1 - Summary of Curricula Vitae of proposed Complaints Panel Members

(a) Summary Curriculum Vita for Mr. Christopher Bound

Chris Bound was raised in Guernsey and read law at The University of Southampton. He qualified as a Solicitor and Chartered Secretary and worked for a London-based FTSE-listed group as in-house counsel. On his return to Guernsey in 1988, he was admitted as an Advocate of The Royal Court and joined what was then Collas Day & Rowland. He led the strategy and management of the firm from 2003 and served as Senior Partner from 2009 until he retired from legal practice in 2018.

Mr Bound has served as a director or trustee of several local high profile not for profit organisations. He played a key role in setting up and serving on The Guernsey Training Agency, bringing together the Guernsey Financial Services Commission, States of Guernsey and local industry. He currently serves as a director of a significant Guernsey charity and also of companies involved in insurance, investment and land ownership.

(b) Summary Curriculum Vita for Advocate Thomas Carey

Advocate Carey is a partner in the corporate and finance group at Carey Olsen. He advises clients both locally and internationally on a wide variety of corporate transactions, including private equity, investment funds and restructurings.

Advocate Carey began his career with a training contract at Norton Rose in 1998-2000. He qualified as a Solicitor of the Supreme Court of England and Wales in October 2000 and then joined the corporate finance team at Norton Rose in 2000-2002. He was in-house counsel at Morgan Stanley Investment Management Limited from 2002 to 2004. He joined Carey Olsen in August 2004 and was made partner in 2008.

He was appointed as a non-voting member of the Board of Commerce & Employment Department within the States of Guernsey between 2012 and 2016. He is currently Deputy Bâtonnier of the Guernsey Bar Council.

(c) Summary Curriculum Vita for Mr. Andrew James Castle

Born in Guernsey, Mr. Castle started his professional life as a teacher on the mainland but came back to the island in 1976 where he held several posts in the Guernsey Civil Service, culminating in five years as Director of HR at the then Board of Health. In 2013 he started "Castle Defence" offering employment law advice and representation to employers and employees, including representation at Tribunal. Mr. Castle has served several terms on union executives including the NUS and the Civil Service Association (now Prospect).

Mr. Castle is a member of the Chartered Institute of Personnel Development and sits on the Executive Committee of the Retired States Employees' Association, which represents the interests of members of the Public Services Pension Scheme.

(d) Summary Curriculum Vita for Mr. David Anthony Chapman

Mr. Chapman has over 30 years' experience in the Finance Sector. From 2005 to 2021 he was employed by HSBC Private Bank and his roles included UHNW client Relationship Manager and for the latter part of his employment he was in a Project Manager role. He also has finance experience having worked for National Westminster Bank, Morgan Grenfell (C.I) Ltd and Bank of Butterfield International in both front and back office roles.

Mr. Chapman recently attained the PRINCE2 Foundation and Practitioner Certificate in Project Management.

(e) Summary Curriculum Vita for Mr. Richard (Rick) Denton

Mr. Denton a consultant and Non-Executive Director for a number of commercial businesses. He is a UK Council Member for the Institute of Directors and Lawn Tennis Association. Locally, he chairs the Guernsey Banking Deposit Protection Scheme and is a non-executive director of Guernsey Electricity Limited. He is also a Board member of local charities and co-patron of the Guernsey Cardiac Action Group.

Mr. Denton moved to Guernsey in 1997 and has 30 years' experience in financial services, including leadership roles in the banking, fiduciary and investment subsidiaries of Barclays, Fortis Intertrust, Bank of Bermuda and Coutts/Nat West. He has also been CEO of a locally head-quartered family office business.

Mr. Denton is a qualified banker, trustee, investment advisor, coach and company director. He also holds an MBA with distinction.

(f) Summary Curriculum Vita for Advocate Simon Patrick Florance

Advocate Florance is counsel to the dispute resolution and litigation team at Carey Olsen and specializes in commercial litigation and regulatory matters. His experience and expertise encompasses a wide range of areas including complex contractual disputes, shareholder and investor actions, cross-border litigation, freezing orders, contentious banking and finance issues, and property and construction disputes. Simon also advises on regulatory matters including anti-money laundering, data protection, directors' duties and renewable energy.

Advocate Florance was admitted as an Advocate of the Royal Court of Guernsey in November 2019. He was admitted as a solicitor to the Supreme Court of New South Wales, Australia and to the High Court of Australia in 1994 and as a solicitor in England and Wales in 2017. Prior to joining Carey Olsen in 2006, Advocate Florance was a director with PricewaterhouseCoopers Legal in Sydney, Australia.

(g) Summary Curriculum Vita for Mrs. Zoë Carmen Candida Lihou

Mrs. Lihou is a qualified accountant with significant experience in finance sector, internal and external audit. Her current portfolio leans towards small to medium sized businesses and utilising of technology to enable efficient accounting.

Mrs. Lihou has held many voluntary roles over the last two decades, including as a Director of Guernsey Football Association and President of Guernsey Rangers FC. She is also treasurer of Women in Public Life.

Since 2018, Mrs. Lihou has served as a member of the St Peter Port Douzenier and was elected as the Parish's Junior Constable in January 2021.

(h) Summary Curriculum Vita for Ms. Joanne (Jo) May

Ms. May is an Independent Consultant offering regulatory risk and AML/CFT solutions within the Guernsey financial services sector. This primarily involves providing advice to Boards and acting as MLRO, MLCO and Compliance Officer, as well as providing project resource and independent reviews.

Ms. May has worked in the Guernsey financial services sector for over 30 years and, has a diverse range of experience including a spell within the Investment Division at the GFSC, where in addition to the regular financial service supervision she worked on various projects, a large enforcement case and enjoyed a spell within the Innovation unit, working on several financial stability projects.

Having achieved the Professional Postgraduate Diploma in Governance, Risk and Compliance (Prof.PGDip(GRC)), Ms. May is a Fellow of the International Compliance Association and is also a Chartered Member of the Chartered Institute for Securities and Investment.

Ms. May is Secretary of the Guernsey Lifeboat Station, fundraising committee and has recently been elected to the Castel Primary School Committee. Ms. May is currently studying to become a silver accredited tour guide.

(i) Summary Curriculum Vita for Mr George Arthur Riley

Mr. Riley has over 40 years' experience in the Finance sector. He opted for early retirement in 2016 when he was MD of RBC's Investment Management Company and Head of Discretionary Investment Management for the British Isles. From 2000 he worked with RBC in Geneva where he was Appointed Chief Investment Officer, returning to Guernsey in 2006 to lead RBC's Global Investment Solutions business.

Mr. Riley has served on the Boards of Public Investment Funds regulated by both the Guernsey and Jersey Financial Services Commissions.

Prior to joining RBC, Mr. Riley worked for Lloyds Bank International, initially in the Executor and Trustee Division and latterly managing the Trust and Private Client business in Monaco. While in Monaco he was appointed President of the British Association of Monaco. He has acted as volunteer advisor to the Guernsey Youth Enterprise program on two occasions.

Mr. Riley is a Chartered Fellow of the Institute for Securities and Investment and holds the Institute of Directors Diploma in Company Direction.

(j) Summary Curriculum Vita for Miss Lisa-Jayne Vizia

Miss Vizia is a director and shareholder of Saffery Champness Registered Fiduciaries. She joined the board and company in 2010 having previously worked for a leading bank-owned international trust company.

Born and educated in Guernsey, Miss Vizia has worked in the trust industry since 1986 and has been a Member of the Society of Trust and Estate Practitioners since 1997 as well as a Member of the Institute of Directors since 2004. She has significant expertise in acting as Trustee and Director managing structures for ultra-high net worth families. She works in partnership with the clients' family offices adding value by providing proactive strategic input and becoming a trusted advisor to such families.

Miss Vizia is also responsible for Saffery Champness' headline Corporate Social Responsibility initiative, the "Saffery Rotary Walk" and is a member of the Walk Committee. This is one of the Island's largest charity fundraising events supporting dozens of charitable causes each year.

(k) Summary Curriculum Vita for Ms Gayla Lynne Wright

Ms. Wright is a senior HR practitioner having worked in commercial organisations such as SandpiperCI, Condor Group and most recently Specsavers.

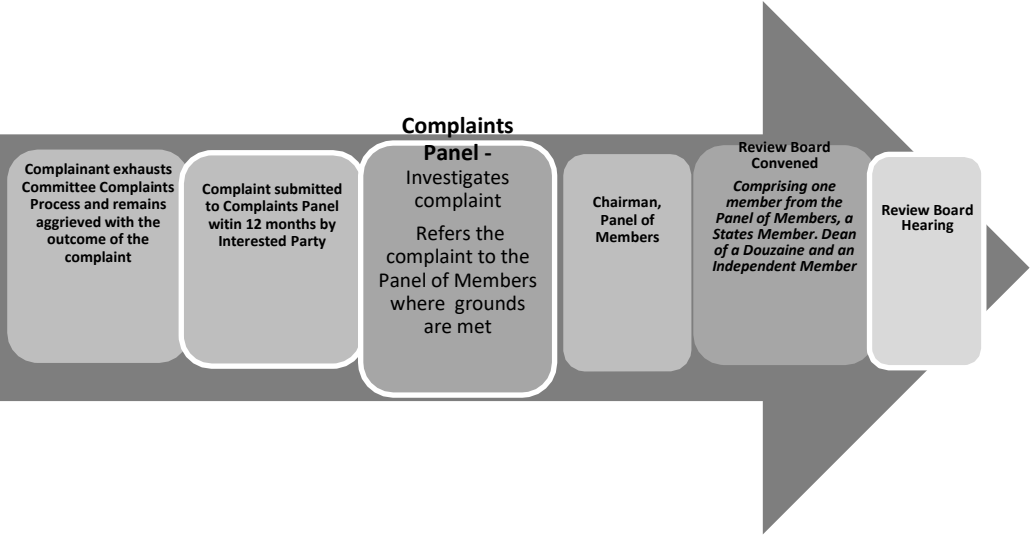
Since 2018, Ms. Wright has also held the position of Non-Executive Director for Guernsey Mind supporting the charity's overall strategy in providing a service that promotes positive mental health for the community.

Ms. Wright has managed through large scale organisational restructures, global change projects, negotiated and worked with trade unions and supported a number of employment-related tribunals both in the UK and Guernsey.

Ms. Wright holds a post graduate diploma in Professional Development and Human Resources Management and is a Chartered Member of the Chartered Institute of Personnel Development as well as a trained Mental Health First Aider through MHFA England.

APPENDIX 2

Review Board System: Diagram Complaints Panel and Independent Members



THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

STATES' ASSEMBLY & CONSTITUTION COMMITTEE

GENERAL ELECTION 2020:
REPORTS FROM THE CPA BIMR ELECTION EXPERT MISSION AND
THE REGISTRAR-GENERAL OF ELECTORS

The States are asked to decide:-

Whether, after consideration of the policy letter entitled 'General Election 2020: Reports from the CPA BIMR Election Expert Mission and the Registrar-General of Electors' dated 10th May 2021 submitted under Rule 17.(9) of the Rules of Procedures of the States of Deliberation and their Committees, they are of the opinion:-

1. To agree the following workstreams should be undertaken by the States' Assembly & Constitution Committee:
 - a) investigate the creation of a dedicated, independent elections body for future elections;
 - b) review the Reform Laws and other relevant legislation underpinning General Elections, including:
 - i. increasing the number of signatories on the nomination form.
 - ii. introducing provisions requiring the publication of candidates and parties' election expenditure.
 - iii. reviewing the deadline for postal vote applications.
 - iv. introducing Deputy Polling Station Officers and Deputy Central Returning Officers to support election administration.
 - v. reviewing provisions relating to the vote count and recount to ensure they meet the requirements of an electronic vote count and recount.
 - vi. reviewing the margin required to trigger a recount;
 - c) introduce proposals for a system of complaints and appeals for future elections;
 - d) investigate the merits of introducing disclosures by candidates/and or Deputies and consider the disqualification provision at Article 8(e) of the Reform Law;
 - e) review the regulation of election finance, considering the findings of the

Committee on Standards in Public Life review of electoral regulation in England.

- f) review communication initiatives including the feasibility of the States of Guernsey co-ordinating 'hustings-type' meetings.
- g) research the feasibility of introducing i-voting for a future election.
- h) undertake consultation with relevant stakeholders in order to identify, and consider how the States of Guernsey can work towards the implementation of, suitable measures for Guernsey as outlined in Articles 4 and 7 of the Convention on the Elimination of All Forms of Discrimination against Women to Guernsey and Articles 21 and 29 of the Convention on the Rights of Persons with Disabilities
- i) increasing the information provided regarding the role of a States' Member, the States of Guernsey and the election process by the end of 2023.

The above Propositions have been submitted to Her 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

STATES' ASSEMBLY & CONSTITUTION COMMITTEE

GENERAL ELECTION 2020:
REPORTS FROM THE CPA BIMR ELECTION EXPERT MISSION AND
THE REGISTRAR-GENERAL OF ELECTORS

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

10th May 2021

Dear Sir

1 Executive Summary

- 1.1 The States' Assembly & Constitution Committee ('the Committee') is under resolution to submit the Report of the Registrar-General of Electors, together with the Report of the Independent Election Observers, as an appendix to a Billet d'État as soon as possible, and no later than one year after the General Election.
- 1.2 The two reports are appended to this policy letter which has been submitted under Rule 17.(9) of 'The Rules of Procedure of the States of Deliberation and their Committees'¹:
- **Appendix A** **CPA BIMR Election Expert Mission Final Report**
Guernsey General Election - October 2020
 - **Appendix B** **Report of the Registrar-General of Electors**
Review of the 2020 General Election
- 1.3 It is strongly recommended that Members read the appended reports prior to considering this policy letter.
- 1.4 The Committee agreed to submit these reports with a covering policy letter setting out how it will address their findings and recommendations and to provide States' Members with the opportunity to endorse and provide feedback on the workstreams the Committee intends to undertake, and any other areas

¹ ['The Rules of Procedure of the States of Deliberation and their Committees'](#)

they believe the Committee should consider, as it prepares for the 2025 General Election.

2 Introduction

2.1 The 2020 General Election took place on 7th October 2020, having been postponed from 17th June as a result of the COVID-19 pandemic. The next General Election is due to take place in June 2025. The Committee is responsible for advising the States and developing and implementing policies in relation to elections to the office of People's Deputy.

2.2 On 12th December 2019, further to consideration of the amended propositions to the Committee's policy letter entitled 'General Election 2020 – Second Policy Letter'², the States resolved as follows³:

"To agree that, in his post-implementation review of the 2020 General Election and Island-wide voting, the Registrar-General of Electors shall seek the views of:

- *Candidates in the General Election (elected and unelected);*
- *Members of the General Election programme board;*
- *Officers, parish representatives, and volunteers involved in the delivery of the General Election;*
- *Election service providers (e.g. communications, e-count solutions);*
- *The voting public; and*
- *Any other consultees which he considers appropriate;*

and to direct the States' Assembly & Constitution Committee to submit the Report of the Registrar-General of Electors, together with the Report of the Independent Election Observers, as an appendix to a Billet d'État as soon as possible, and no later than one year after the General Election."

Report of the Independent Election Observers

2.3 The Commonwealth Parliamentary Association British Islands and Mediterranean Region (CPA BIMR) conducted a virtual Election Expert Mission to the Guernsey General Election. The CPA BIMR Election Expert Mission Final Report entitled '[Guernsey General Election October 2020](#)'⁴ was published on 7th December 2020 and is attached as Appendix A. This will be referred to as the 'CPA Report' in this policy letter.

² States' Meeting 11th December, 2019: Billet d'Etat XXIV: [General Election 2020 – Second Policy Letter](#)

³ Resolution 11 was the result of an amendment ([P.2019/132 Amdt 5](#)) lodged on behalf of the Committee.

⁴ The [report and accompanying press release](#) are available to download from the Commonwealth Parliamentary Association UK website: www.uk-cpa.org

- 2.4 The CPA BIMR Election Expert Mission “*offers 12 recommendations in this report to enhance the conduct of elections in Guernsey and to bring it fully into line with international obligations and standards for democratic elections.*”

Report of the Registrar-General of Electors

- 2.5 The Committee received the report from the Registrar-General of Electors on 6th April 2021. This is attached as Appendix B and will be referred to in this policy letter as the ‘Registrar-General’s Report’. This report offers 10 recommendations.

Structure of the policy letter

- 2.6 This policy letter will consider both reports’ findings and recommendations by grouping subjects under relevant headings as set out in the following table. The recommendations of the CPA BIMR Election Expert Mission or the Registrar-General of Electors will be shown in the relevant section (as below).

	Section	CPA	RG of E
3	Independent oversight and administration of elections	R2	R1
4	The legal framework for elections	R1	R2
5	Complaints and appeals	R12	n/a
6	Voter registration	R3	n/a
7	Standing as a candidate	R4	n/a
8	Communication initiatives by the States of Guernsey	n/a	R3
9	Political parties	R5	n/a
10	Election expenditure	R5 & 6	R10
11	Voting: Postal voting, polling stations and i-voting	R7	R4,5 & 6
12	Vote Count and Recount	R8 & 9	R7,8 & 9
13	Participation in elections	R10 & 11	n/a

Submission of the proposition under Rule 17.(9)

- 2.7 Rule 17.(9) of ‘The Rules of Procedure of the States of Deliberation and their Committees’ reads as follows:

“Where a Committee originating a matter for debate before the States is of the opinion that the proposals it is submitting to the States are of general policy, and where it is desirable that the principles of that policy should be considered, the Committee may have its propositions considered by the States without amendment on the understanding that if the propositions are accepted the Committee would return with detailed proposals which could be accepted or rejected with or without amendments. Where a Committee invokes the provisions of this paragraph it shall make express reference to it in its propositions”.

- 2.8 The Committee is submitting the policy letter under this Rule as it believes it is premature to submit firm proposals in respect of the 2025 General Election until the reviews detailed in this report are undertaken. Submitting the policy letter and the reports in this manner provides Members with the opportunity to confirm it agrees with the Committee’s next steps and to provide feedback on any other areas they believe the Committee should consider.
- 2.9 It must be noted that whilst the Committee will undertake the reviews and workstreams set out in this policy letter, given the pressures on public finances and resources that the States will face this political term, any proposals to be considered by the Committee, and the States, will take into account the priorities of the States at that time and set out the financial implications of such proposals.

3 Independent oversight and administration of elections

CPA R2	A permanent dedicated elections body should be constituted so that institutional knowledge and expertise can be embedded in the Guernsey electoral system. This body could provide continuous electoral oversight, including oversight of candidate and voter registration, political parties and campaign finance.
RG R1	It is recommended that SACC should investigate the creation of an independent body to advise on and oversee future elections.

- 3.1 In the ‘General Election 2020’ policy letter⁵, the then Committee identified that ‘the development of a permanent, independent election administration body should be investigated after the 2020 General Election with a view to such a body being established for the 2024 General Election’⁶.
- 3.2 In reaching this conclusion, the then Committee had noted the Commonwealth Parliamentary Association report ‘Recommended Benchmarks for Democratic Legislatures’⁷ stated at point 1.1.5:

⁵ States’ Meeting 24th April, 2019: Billet d’Etat VII: [General Election 2020](#) (P.2019/22)

⁶ Appendix 1, Section 3(a): Independent oversight of Elections (pages 49 – 50).

⁷ CPA [Recommended Benchmarks for Democratic Legislatures](#)

“An independent Electoral Commission or similar authority shall be established for the management of the conduct of elections and its tasks shall include monitoring the election expenses of parliamentary candidates and political parties”.

and the Venice Commission’s ‘Code of Good Practice in Electoral Matters – Guidelines and Explanatory Report’⁸ which stated that an impartial body must be in charge of applying electoral law.

- 3.3 The CPA report states that the International Covenant on Civil and Political Rights, which applies to Guernsey, has been interpreted as requiring that an independent electoral authority should be established to supervise the electoral process.
- 3.4 The UK Electoral Commission was established in 2001 and its establishment and general functions are set out in the [Political Parties, Elections and Referendums Act 2000](#).
- 3.5 The Committee agrees independent oversight of elections to the office of People’s Deputy is a key workstream to progress and will investigate the options for the creation of a permanent, independent election administration body.
- 3.6 The Committee will consider the type of body that might be appropriate for Guernsey, undertake consultation with existing stakeholders and consider whether there might be options for a pan-Island solution and consult with Jersey, Alderney and Sark accordingly. It will also research the practicalities, costs and timeframes for creating such a body.

4 The legal framework for elections

CPA R1	Greater codification of electoral rules and procedures, either via amending existing election law or via enacting a new omnibus election law, could be considered, in order to ensure that there is certainty and consistency in the law and that it applies equally to all concerned.
RG R2	It is recommended that SACC should review the Reform Law and other legislation relating to the holding of elections and, if it thinks fit, make suitable proposals for consideration by the States, for electoral reform by way of a standalone election Law that reflects modern election practices and is easily accessible.

- 4.1 [The Reform \(Guernsey\) Law, 1948, as amended](#) and [The Reform \(Amendment\) \(Guernsey\) Law, 1972](#) (‘the Reform Laws’) are the key items of legislation which

⁸ Venice Commission’s [‘Code of Good Practice in Electoral Matters – Guidelines and Explanatory Report’](#)

underpin elections in Guernsey. Both items of primary legislation can be found on the Guernsey Legal Resources website⁹.

- 4.2 In advance of each General Election, a number of items of secondary legislation – in the form of Ordinances for approval and Statutory Instruments – are agreed covering matters such as the date of the General Election, electoral expenditure, hours and location of polling etc.
- 4.3 The CPA report confirms that Guernsey’s legal framework for the conduct of elections complies with local, regional and international standards for democratic elections. It states the rights of political participation are well protected, with both the right to vote and the right to stand for election particularly well established.
- 4.4 The CPA report notes that it is not considered good practice to amend electoral law so close to an election, quoting the Venice Commission’s recommendation that: “The fundamental elements of electoral law, in particular the electoral system proper [...] should not be open to amendment less than one year before an election”.
- 4.5 The referendum on Guernsey’s voting system took place in October 2018 and the General Election was scheduled to place in June 2020. Given the need to amend primary legislation as a result of the referendum to implement a new electoral system, and a number of items of secondary legislation, the above principle could not be met in the intervening period. The Committee will endeavour to ensure that any changes to electoral law will be submitted to the States to be in place at least one year ahead of the General Election i.e. before May 2024.
- 4.6 In the ‘General Election 2020’ policy letter¹⁰, the then Committee stated:
- “... after the 2020 Election, it would be timely for the Reform Law to be subject to a comprehensive review from the States’ Assembly & Constitution Committee, to incorporate lessons learnt from the 2020 Election and to review existing provisions against international best practice”.*
- 4.7 The Committee agrees a review of the Reform Laws, and other electoral legislation, is a key workstream to be progressed and that part of this review should consider whether existing legislation should be amended or whether standalone election legislation should be drafted.

⁹ www.guernseylegalresources.gg

¹⁰ Appendix 1, Section 3(b): Future Review of the Reform Law (pages 50-51).

5 Complaints and appeals

CPA R12	Consideration should be given to the introduction of a system of complaints and appeals for all stages of the electoral process. Detailed procedures should be set out regarding the authority responsible to receive and adjudicate upon disputes arising in relation to voter registration, candidate nomination, voting and counting and all other aspects of the electoral cycle. Fair procedures must apply to any such regulations, with clear deadlines providing for the submission of complaints, making appeals and delivery of decisions, as well as rules of standing to lodge complaints.
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- 5.1 The CPA report states there was little detail of any procedures, in electoral law in Guernsey, to facilitate the making of complaints and appeals during the electoral process. The Registrar-General's report does not contain a specific recommendation but highlights the issues caused by the absence of an independent person or body to whom various types of complaints around election matters can be addressed.
- 5.2 Whilst the Reform (Guernsey) Law, 1948 enables the States to make by Ordinance such provisions as they may see fit in respect of the making and determining of complaints in respect of elections, no such Ordinance has ever been made by the States.
- 5.3 The Committee agrees that a system of complaints and appeals is required. This will be considered when considering the options for an independent elections body and during the review of electoral legislation.

6 Voter registration

CPA R3	Formal processes of voter registration could be introduced as part of an ongoing rolling process of registration. Voter registration could be done as part of any annual engagement that residents have with the state, such as filing tax returns.
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- 6.1 For the last three General Elections, a new Electoral Roll has been established each time. This means voters have had to register to vote prior to each General Election and has required the States of Guernsey to extensively publicise the need to register.
- 6.2 Both reports note the gap between those who are registered to vote and those that could be entitled to vote, with only 62.8% of those estimated to be eligible to vote registered on the Electoral Roll.

- 6.3 In April 2019, the States agreed that measures should be taken as may be necessary to enable elections to take place on the basis of an Electoral Roll compiled from an automatically generated list of persons eligible to vote, further to the delivery of Phase 2 of the Rolling Electronic Census Project.
- 6.4 The workstream rests with the Committee *for* Home Affairs to progress. The Committee consulted with the Committee *for* Home Affairs to receive an update on the status of this workstream and its letter of response is attached at Appendix C. The recommendation in the CPA Report should therefore be addressed via an existing workstream, if the States prioritise and resource the workstream.

7 Standing as a candidate

CPA R4	Consider removing the provision in Article 8 of the Reform (Guernsey) Law, 1948, which disqualifies candidates who have been sentenced to imprisonment for a period of six months or more, from eligibility to become a People's Deputy.
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- 7.1 Article 8 of the Reform (Guernsey) Law, 1948 sets out the eligibility criteria to stand as candidate in the General Election. The CPA report notes the disqualification in Article 8 which prevents anyone from standing who, during the five years preceding the election, was sentenced for an offence in the UK, Channel Islands or Isle of Man for a period of six months or more. It advised that the exclusion of all those sentenced to imprisonment, without regard to the nature of the offence, is unreasonable.
- 7.2 In considering the above recommendation, the Committee noted that, prior to and after the General Election, a number of people – including members of the public and Deputies – suggested that candidates and/or elected Deputies should be required to undergo checks by the Disclosure and Barring Service (DBS). It is commonplace for a number of posts of employment to require a form of Disclosure as a condition of a person taking up a post and it has been questioned why such checks are not required of candidates and Deputies.
- 7.3 The Committee has committed to look at this matter as part of its review of election procedures in advance of the 2025 General Election. It will consult with the Law Officers, the Committee *for* Home Affairs and the Office of the Data Protection Authority, as well as looking at practice in other jurisdictions, and the potential benefits and disadvantages of such disclosures being a requirement for candidates and/or elected Deputies. As part of this workstream, it will also look at Recommendation 4 of the CPA Report.
- 7.4 In the Registrar-General's report, under 'voter feedback', the substantial number

of candidates who stood in the General Election was raised by several different groups. Suggestions were put forward on processes that could be put in place to ensure candidates were committed to standing e.g. through the introduction of candidate deposits or requiring additional people to nominate a candidate.

7.5 These two suggestions were considered in the ‘General Election 2020’ policy letter¹¹. The then Committee had unanimously agreed that it would not recommend candidate deposits for the same reasons set out in the Registrar-General’s report.

7.6 At that time, the Committee did not propose increasing the number of signatories to nominate a candidate. However, the Committee has considered the arguments put forward in 2.6 to 2.12 of Appendix 1 to that report and believes the matter should be revisited in light of experience of the 2020 General Election.

8 Communication initiatives by the States of Guernsey

RG R3	It is recommended that consideration be given by SACC to how more hustings-type events can be organised by the States and/or the parishes, also having regard to how the requirements of “special interest” groups can be factored into such hustings.
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8.1 The ‘General Election 2020 – Second Policy Letter’ contained a section entitled ‘Communication initiatives’. At section 9(c) it considered face to face engagement and commented as follows regarding hustings:

“9.10 Hustings have always been organised by the Parishes historically, not the States of Guernsey. In previous General Elections, district-based hustings have provided a useful means of providing two-way communication between the voter and the candidate, in seeing how candidates answer questions under pressure and to hear their views on various issues.

9.11 The Committee does not believe it is appropriate for the States of Guernsey to set-up a series of hustings, as it does not believe they would be equitable or useful for either the candidates or the voters. It may not be possible for hustings to be held in the same manner as previous Elections. It may be possible that candidates may organise their own hustings e.g. candidates grouping together to set out their views on certain policy areas in a hustings style setting”.

8.2 The CPA report noted that there was a strong tradition of public meetings in

¹¹ Appendix 1, Section 2(b) Nominations: number of signatories; 2(c) Candidate deposits (pages 47 – 49)

Guernsey that had somewhat changed with the arrival of Island-wide voting due to the logistical challenges of hosting 119 candidates. It noted that some public events were organised by several civil society groups.

- 8.3 The Registrar-General's report noted that whilst the 'meet the candidates' event was considered useful, a number of candidates would have liked to have seen more hustings-type events. Some candidates also commented that the hustings events organised by civil society groups, whilst useful, took up considerable time in preparation and attendance. The report suggests there could be more engagement with such groups ahead of the Election to have a more co-ordinated approach.
- 8.4 The Committee notes that a number of hustings-type events were organised by not only civil society groups but candidates themselves. In the question time that followed the General Update Statement¹² delivered by the Committee at the 24th February, 2021 States' Meeting, it was suggested that the Committee look to help co-ordinate 'lobby groups' and their engagement with candidates. It was also suggested that the Committee consider arranging hustings to ensure that every candidate had the opportunity to participate in such sessions.
- 8.5 Notwithstanding the comments of the former Committee regarding the practical difficulties in holding hustings under an Island-wide voting system, given the experience in 2020, the Committee will consider how hustings-type events can be organised, and will liaise with the parishes, civil society groups, members and the public as to how this could be facilitated for 2025.

9 Political parties

**CPA
R5**

Political parties should be subject to oversight, and their finances should be evaluated on an annual basis...

- 9.1 Three political parties were formally created in 2020 which nominated a number of candidates:

Register of Political Parties	Registered	Candidates	Elected
Alliance Party Guernsey	12.02.2020	11	0
The Guernsey Party	05.08.2020	9	6
The Guernsey Partnership of Independents	18.08.2020	21	10

- 9.2 The CPA report noted that beyond the legislation relating to registration, filing annual accounts and election expenditure, there is no further regulation of

¹² States Meeting on 24 February 2021: [Hansard Report – Wednesday 24th February 2021](#) (page 136)

political parties. It stated that whilst this had not hindered the conduct of the election, further legislative intervention may become necessary to govern the operation of parties in political life.

- 9.3 The Committee notes that the existence of political parties in Guernsey's political life is still very much in its infancy, with only two parties remaining after the 2020 General Election, and current Members of the two political parties make up 18% and 23% of the Assembly respectively¹³. The previous Committee had taken a 'light touch' approach to regulating political parties and it is suggested this is continued, with the Committee maintaining a watching brief of the operation of parties. The Committee will give consideration as to how political parties' finances can be evaluated in line with the CPA report recommendation.

10 Election expenditure

CPA R5	Political parties should be subject to oversight, and their finances should be evaluated on an annual basis. Individual candidates' pre-election fundraising and expenditure should also be assessed and recorded. Reporting should not be onerous but simply conducted by the production of evidence.
CPA R6	Boundaries of pre-election and annual expenditure should be clearly defined. The limitations of expenditure outside the formal period of nominated candidature could be within similar boundaries to those defined for the election period, except with no additional public subsidy.
RG R10	It is recommended that the Reform Law (or any successor) should make explicit the fact that parties' and candidates' individual expenditure returns may be published.

- 10.1 The Registrar-General's report summarises the electoral expenditure rules for candidates and political parties. As noted, it was the first election where campaign finance regulations for political parties had to be introduced.

- 10.2 As part of the review of electoral legislation, the wording of the legislation around election expenditure will be carefully considered. The Committee notes that there is a particular need to clarify the boundaries of pre-election and annual expenditure and will consider this as part of its review. Whilst guidance was produced on electoral expenditure for candidates and parties, it is clear the guidance needs further finesse on how the rules work in practice, based on experience.

- 10.3 In June 2020, the Committee on Standards in Public Life announced a review of

¹³ There are currently seven members of The Guernsey Party and nine Members of the Guernsey Partnership of Independents in the States of Deliberation.

electoral regulation in England. The independent Committee on Standards in Public Life advises the Prime Minister on arrangements for upholding ethical standards of conduct across public life in England.

- 10.4 The review¹⁴ intends to identify the principles and values that should underpin the regulation of donations and campaign expenditure by candidates, political parties and non-party campaigners in election and referendum campaigns. It will also examine the Electoral Commission's remit as a regulator of election finance and associated electoral law and examine the enforcement regime for election finance offences committed by candidates, parties and non-party campaigners.
- 10.5 The review commenced with a public consultation inviting views on the way donations and campaign expenditure by candidates, political parties and non-party campaigners in election and referendum campaigns are regulated and enforced by the Electoral Commission, the Crown Prosecution Service (CPS) and the Police.
- 10.6 The Committee on Standards in Public Life intends to report with any recommendations by June 2021. The Committee believes the findings and recommendations of this review may prove an invaluable resource in reviewing the regulation of finances relating to elections in Guernsey.
- 10.7 The Committee agrees that electoral legislation should explicitly state that parties' and candidates' expenditure may be published and this will need to be communicated to all potential candidates prior to the nominated period in future. This recommendation will form part of the changes suggested further to its review of the electoral legislation.

11 Voting: Postal voting and polling stations

(a) Postal voting

RG R4	It is recommended that SACC should consider moving the deadline for postal vote applications further from polling day.
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- 11.1 69% of those on the Electoral Roll opted to register for a postal vote, with approximately 75% of all votes cast being via postal vote. In light of this uptake, it is likely that postal voting will continue to be a popular option in future elections.
- 11.2 Whilst the issue and return of postal votes was generally successful, as acknowledged by the Registrar-General's report, some problems were

¹⁴ Committee on Standards in Public Life: [Review of electoral regulation - Terms of Reference](#)

encountered, most significantly the challenges in the issuing and return of voting packs to and from overseas voters. The Committee will therefore consider whether the deadline for applications should be brought forward as part of its review of electoral legislation.

(b) Polling stations

CPA R7	The recruitment process for polling station staff should be open and publicly advertised, and increased training for polling station staff should be considered.
RG R5	It is recommended that the Reform Law (or any successor) should in future include provision for Deputy Polling Station Officers to be formally sworn in and given the authority to act across the full range of duties in the absence of a Polling Station Officer.
RG R6	It is recommended that SACC should consider consolidating the polling stations, with a view to reducing the number and/or opening hours of the Parish polling stations and increasing the number of super polling stations.

- 11.3 The Committee would like to place on record its thanks to all the Polling Station Officers and volunteers who manned the advance and parish polling stations. The support of the parishes and volunteers was invaluable in assisting the smooth running of the General Election.
- 11.4 The Registrar-General's report addressed the recommendation in the CPA Report, confirming that the recruitment process was open and publicly advertised. The Committee noted that some felt the training for polling station staff was unnecessary, however it supports training being provided to all polling station staff to ensure consistency in electoral administration.
- 11.5 Whilst postal voting proved a popular option with voters, 42% of all voters visited a polling station, with 25% of voters completing their ballot at a polling station and 17% of postal voters putting their postal votes directly into the ballot box. Voting at polling stations therefore remains a vital part of the election process.
- 11.6 The Committee agrees that there should be provision in the Law for Deputy Polling Station Officers to be sworn in to provide support to the Polling Station Officer and to provide resilience in the process. This recommendation will form part of the changes suggested further to its review of the electoral legislation.
- 11.7 When preparing for the 2020 General Election, the then Committee had acknowledged at the time that the polling station arrangements put in place (advance polling stations on the Saturday and Sunday immediately before the

Election, and two days of parish polling and ‘super’ polling stations) were likely ‘overcompensating’ for the logistical challenges Island-wide voting presented.

- 11.8 With the benefit of experience, and feedback from the parishes, it is clear that the number of polling stations could be reduced, and the number of ‘super’ polling stations could be increased. Further consultation will be undertaken with the parishes and the Registrar-General of Electors to identify an appropriate number of polling stations for future elections.

(c) i-voting

- 11.9 The ability to introduce i-voting was explored by the former Committee as stated in its ‘General Election 2020’ policy letter. I-voting can encompass voting from a personal computer to voting via an app on a mobile device. It could take place anywhere in the world and could largely replace the need for postal voting. Given the limited time available before the 2020 General Election, the Committee concluded that introducing i-voting for 2020 was not possible.
- 11.10 During the 2020 General Election, there was a desire expressed by some that i-voting should be introduced in Guernsey. The Committee will consider the feasibility of introducing i-voting for a future Election looking at the opportunities and challenges of such an option.

12 Vote count and Recount

(a) Vote count

CPA R8	The number of ballot papers cast should be verified at the start of the vote count. Adding an additional verification step should also be explored, namely the verification of the total number of votes cast.
CPA R9	A rigorous countback audit process should be put in place, so that an original ballot paper that is ‘transposed’ can be checked against the newly transposed ballot paper that is used to replace it.
RG R7	It is recommended that SACC should give consideration to amending the Reform Law (or any successor Law) to ensure that it is possible for Deputy Central Returning Officers to be sworn in and given the authority to act across the full range of the Central Returning Officer’s duties in his/her absence.

- 12.1 The votes at the 2020 General Election were counted using electronic counting equipment, a first for Guernsey. Whilst the technology worked well, as detailed in the Registrar-General’s report, administrative issues arose which caused delays in the votes being counted. The Election Project Board have noted these

issues, along with the findings and recommendations in the CPA Report, and will look to ensure comprehensive processes are put in place to avoid a reoccurrence of these issues.

- 12.2 The Committee would like to place on record its thanks to the Central Returning Officer who excelled in their performance of their role. The Committee agrees that the role would benefit from additional support from Deputy Central Returning Officers to assist in running the vote count and dealing with returns of expenditure. This recommendation will form part of the changes suggested further to its review of the electoral legislation.

(b) Recount

RG R8	It is recommended that SACC should consider the margin of votes required to trigger a recount after a General Election and, if appropriate, make recommendations for amendments to the Reform Law (or any successor) to reduce the that margin.
RG R9	It is recommended that the Reform Law (or any successor) should, in future, provide for the possibility of an electronic recount and, accordingly, afford the Bailiff more discretion over the exact requirements for a recount.

- 12.3 Whilst the CPA Report did not make a specific recommendation in relation to the margin of votes required to trigger a recount, it highlighted it was ‘a generous margin’ which election authorities may wish to re-evaluate. Noting that in the 2020 General Election, a candidate with nearly 500 votes below the last successful candidate could request a recount, the Committee agrees that the margin should be reviewed, and will consider the CPA report’s suggestion that:

“It might be more practical if the margin of difference between the candidate placed 38th and those below him/her would relate to a percentage of the difference between these contestants in the number of votes cast, rather than a percentage of the total number of ballots issued”.

- 12.4 Electronic counting equipment will be used again in future General Elections and the relevant provisions of electoral legislation will be reviewed to ensure that it accommodates such a count, in particular offering flexibility in how a recount can be undertaken, in line with the recommendation of the Registrar-General.

13 Participation in elections

CPA R10	Extension of Articles 4 and 7 of the Convention on the Elimination of All Forms of Discrimination against Women to Guernsey should be pursued without delay. This will entail enactment of legislation to enable fulfilment of convention obligations in advance of the extension.
CPA R11	Extension of Articles 21 and 29 of the Convention on the Rights of Persons with Disabilities should be pursued without delay. This will entail enactment of equality legislation to enable fulfilment of convention obligations in advance of the extension.

13.1 The Extension of Articles of the Convention on the Elimination of All Forms of Discrimination against Women to Guernsey and the Convention on the Rights of Persons with Disabilities fall within the mandate of the Committee *for* Employment & Social Security. The Committee consulted with the Committee *for* Employment & Social Security on the comments and recommendations in the CPA Report and its letter of response is attached at Appendix D.

13.2 The Committee notes that whilst the Committee *for* Employment & Social Security supports the extension of these Conventions to Guernsey at the earliest opportunity, it would not be possible to select only specific Articles for extension. It further notes that its comments that:

“...even if Guernsey meets the requirements of the priority Articles identified by the CPA BIMR Election Expert Mission, it would not be possible to seek to extend these Articles to Guernsey until we meet the pre-requisites set out above, which may or may not be relevant to those specific Articles.

Of course, the fact that the UK’s ratification of these Conventions has not yet been extended to Guernsey is no barrier to the States of Guernsey working towards the implementation of the measures outlined in Articles 4 and 7 of CEDAW and Articles 21 and 29 of CRPD”.

13.3 The Committee will undertake consultation with relevant stakeholders in order to identify, and consider how the States of Guernsey can work towards the implementation of, suitable measures for Guernsey as outlined in the aforementioned articles as part of its preparations for the 2025 General Election.

13.4 The Registrar-General’s report details the considerable effort that was made to ensure that candidates and potential candidates had access to information that would help them to understand the election process as well as gain insight into the role of a Deputy.

13.5 In a bid to reduce the barriers to people standing, the States funded and

organised the following which was available to all candidates:

- Comprehensive guidance published in advance of the Election and presentations for prospective candidates.
- A grant of £500 for each candidate.
- The ability to include a manifesto (two sides of A4 sized paper) in a candidate manifesto booklet, produced by the States of Guernsey and delivered to all homes on the Electoral Roll and published online on the election's website.
- A free dedicated web page on each candidate.
- The production of a short video promoting their candidacy published on the website.
- An event organised to facilitate voters meeting candidates at Beau Sejour.

13.6 Whilst acknowledging the improvements made to the support for candidates in advance of the 2020 General Election, the Committee is keen that work is undertaken providing information to the public about the work of Deputies and the work of the States, to demystify what being a Deputy entails in reality, for both the public and potential candidates. This will be aimed at all sectors of society but will look at some of the perceived barriers that may exist for those currently underrepresented in the States e.g. women, persons with disabilities etc.

13.7 The Committee will be working with Members, organisations and the public to ascertain what information should be produced and will be working with the Parliamentary Team to ensure this is provided as part of its outreach work. It will also seek to provide information on the General Election well in advance of it taking place (rather than just in the months immediately prior to the Election) to assist individuals who might consider standing.

14 Conclusion

14.1 As confirmed by the CPA BIMR Election Expert Mission, the 2020 General Election was a successful democratic exercise and Guernsey's legal framework for elections complies with international standards for democratic elections. The report from the Registrar-General of Electors shows that the criteria to measure the success of the 2020 General Election, set by the former Committee and the Committee *for* Home Affairs were largely met.

14.2 The only criteria that was not fully met was "A high percentage of those eligible to vote are registered on the Electoral Roll". Whilst acknowledging that those registered on the Electoral Roll exceeded 2016 figures, with only 62% of those eligible to vote registering on the Electoral Roll, it is noted that this cannot be claimed to be a high percentage. However, the workstream under the Committee *for* Home Affairs should resolve this, if the States prioritise and

resource the workstream.

14.3 The introduction of a new electoral system and its practical implementation was always expected to raise matters that would need to be reviewed. Both reports put forward constructive recommendations to assist the Committee in preparing for the next General Election and have helped to assist in identifying key areas for review by the Committee.

14.4 As set out in the policy letter, the key areas for further work, arising from consideration of the appended reports, can be summarised as follows:

- a) investigate the creation of a dedicated, independent elections body for future elections;
- b) review the Reform Laws and other relevant legislation underpinning General Elections, including:
 - i. increasing the number of signatories on the nomination form.
 - ii. introducing provisions requiring the publication of candidates and parties' election expenditure.
 - iii. reviewing the deadline for postal vote applications.
 - iv. introducing Deputy Polling Station Officers and Deputy Central Returning Officers to support election administration.
 - v. reviewing provisions relating to the vote count and recount to ensure they meet the requirements of an electronic vote count and recount.
 - vi. reviewing the margin required to trigger a re-count;
- c) introduce proposals for a system of complaints and appeals for future elections;
- d) investigate the merits of introducing disclosures by candidates/and or Deputies and consider the disqualification provision at Article 8(e) of the Reform Law;
- e) review the regulation of election finance, considering the findings of the Committee on Standards in Public Life review of electoral regulation in England;
- f) review communication initiatives including the feasibility of the States of Guernsey co-ordinating 'hustings-type' meetings;
- g) research the feasibility of introducing i-voting for a future election;
- h) undertake consultation with relevant stakeholders in order to identify, and consider how the States of Guernsey can work towards the implementation

of, suitable measures for Guernsey as outlined in Articles 4 and 7 of the Convention on the Elimination of All Forms of Discrimination against Women to Guernsey and Articles 21 and 29 of the Convention on the Rights of Persons with Disabilities; and

- i) increasing the information provided regarding the role of a States' Member, the States of Guernsey and the election process by the end of 2023.

14.5 There will be other areas that the Committee will consider when undertaking its review of the General Election before reporting back to the States with proposals. The Election Project Board will also consider how improvements can be made to the administration of the electoral procedures.

15 Compliance with Rule 4

15.1 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.

15.2 In accordance with Rule 4(1), the Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.

15.3 In accordance with Rule 4(4) of the Rules of Procedure of the States of Deliberation and their Committees, it is confirmed that the propositions above have the unanimous support of the Committee.

15.4 In accordance with Rule 4(5), the Propositions relate to the duties of the Committee in relation to elections to the office of People's Deputy.

15.5 Also, in accordance with Rule 4(5), the Committee consulted with the Committee *for* Home Affairs and the Committee *for* Social Security.

Yours faithfully

Deputy C.P. Meerveld
President

Deputy L.C. Queripel
Vice-President

Deputy S.P. Fairclough
Deputy J.A.B. Gollop
Deputy L.J. McKenna



GUERNSEY GENERAL ELECTION

OCTOBER 2020

CPA BIMR ELECTION EXPERT MISSION FINAL REPORT



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EXECUTIVE SUMMARY

"This was an election of firsts. The first time election observers were invited by Guernsey; the first use of a new electoral system; the first inclusion of advance polling days; and, on top of all this, the first election to be conducted during a global pandemic.

The Guernsey Election was a successful democratic exercise. Guernsey's legal framework for elections complies with international standards for democratic elections. The introduction of new island-wide voting has led to some challenges. Many of these were effectively dealt with while others still remain as outlined in our report."

Jim Wells MLA, Head of Mission

The Commonwealth Parliamentary Association British Islands and Mediterranean Region (CPA BIMR) conducted a virtual Election Expert Mission to the Guernsey General Election in October 2020. This was the first time that international election observers had been invited by the States of Guernsey. Due to the Covid-19 pandemic, research was carried out online, and interviews with a wide range of stakeholders were conducted using digital meeting platforms.

Guernsey's legal framework that provides for the conduct of elections complies with local, regional and international standards for democratic elections. The right to vote is well protected, including the voting rights of prisoners. The right to stand for election is also well protected, except for anyone who, during the five years preceding the election, was sentenced to imprisonment for a period of six months or more by a court in the UK, the Channel Islands or the Isle of Man.

Election administration in Guernsey is not a permanent aspect of the governmental infrastructure, which caused pressure on the elections team in the lead up to the election. Voter registration in Guernsey is voluntary, and an extensive media campaign took place in the lead up to the election to encourage eligible voters to register, which was temporarily interrupted due to the outbreak of COVID-19.

A record total of 119 candidates were nominated for this election. This offered voters an unprecedented level of choice, while it also required them to read a broad range of manifestos. In the lead up to the election, three new political parties were registered and presented candidates, a total of 41 between the three of them.

This election saw a variety of new measures being introduced, including new campaign finance regulations for political parties, advance polling days, and new vote count technology. Voting took a significantly different form compared to previous elections, as some two-thirds of the registered electorate registered for a postal vote.

There is an absence of equality law and of any special measures to promote the increased participation of women in political life in Guernsey. The political participation right of persons with disabilities is protected by the legal regime, and commendable efforts were made by the elections team to ensure access to polling stations for persons with physical disabilities.

The CPA BIMR Election Expert Mission offers 12 recommendations in this report to enhance the conduct of elections in Guernsey and to bring it fully into line with international obligations and standards for democratic elections.

INTRODUCTION TO THE MISSION

At the invitation of the Guernsey States' Assembly & Constitution Committee (SACC), the Commonwealth Parliamentary Association British Islands and Mediterranean Region (CPA BIMR) conducted a virtual Election Expert Mission (EEM) to the Guernsey General Election in October 2020. The SACC's invitation followed consultation with the Policy & Resources Committee and agreement by the States of Deliberation. This was the first time that CPA BIMR had been invited to observe elections in Guernsey.

The Mission was composed of:

- Jim Wells MLA – Head of Mission (Northern Ireland)
- Anne Marlborough – Legal/Political Analyst (Ireland)
- John Ault – Electoral/Campaign Analyst (UK)
- Fleur ten Hacken – CPA BIMR Election Coordinator (The Netherlands)
- Jessica Onion – CPA BIMR Election Administrator (UK)

The Mission held virtual meetings between 28 September and 9 October. The Mission was guided by the Declaration of Principles for International Election Observation and Code of Conduct for International Election Observers.

The Mission conducted an independent assessment of the Guernsey election against international legal standards, commitments and obligations as well as domestic laws. Its assessment considered the legal framework, election administration, political campaign, media, and opportunities for complaints and appeals. In addition, the Mission considered a number of wider issues such as gender equality and participation of persons with a disability. The Mission met key stakeholders, including the Bailiff, the Chief Minister, HM Procureur and HM Comptroller, the Chief Officer of the Guernsey Police, the Registrar-General of Electors, election officials, candidates, political parties, civil society groups, media outlets and voters.



The CPA BIMR Team of international observers

Election observers were introduced into the law of Guernsey for the first time in anticipation of this election. Article 72B was added to the Reform (Guernsey) Law, 1948, which enables the States' Assembly & Constitution Committee, after consultation with the Policy & Resources Committee, to appoint observers. Such observers will have the right to receive a copy of the Electoral Roll, to be present at any polling station, and to be present during the counting of votes.

An invitation was accepted by CPA BIMR to observe this election. Due to the COVID-19 pandemic, the Mission was originally planned to be delivered as a hybrid mission. The observers would conduct virtual meetings with stakeholders and visit Guernsey for a limited period of time to conduct in person observations of Advance Voting, Election Day and the Vote Count in Guernsey. In consultation with Public Health Guernsey, the observers were granted Critical Worker Travel Permits and had agreed to adhere to strict regulations, including daily COVID-19 testing, while in Guernsey.

Shortly before departure to Guernsey, the Mission was informed that there was increased concern in Guernsey around interacting with observers visiting from abroad due to the risk of COVID-19. Consequently, restrictions were proposed on the observers' access to polling stations, which led to the abandonment of plans to observe the election in person. In close consultation with the Registrar-General of Electors, the decision was taken to continue the Mission virtually. CPA BIMR had prior experience with this innovative adaptation of election observation methodology, as it had carried out a successful virtual Election Expert Mission to the Anguilla General Election in June 2020.

The Mission acknowledges its limitations, in particular the inability of members to visit the island in person and to observe the proceedings on Advance Polling Day, Election Day and the Vote Count. Despite this, the Mission has striven to look at the wider electoral process to the best of its abilities.

This report will offer a number of recommendations which it is hoped will be given due consideration by all the election stakeholders, particularly the States of Guernsey, for the improvement of future elections in Guernsey.

BACKGROUND & ELECTORAL SYSTEM

The "Bailiwick of Guernsey" is one of three British Crown Dependencies and is located in the English Channel, off the coast of France. The Bailiwick of Guernsey consists of three separate sub-jurisdictions, namely Guernsey, Alderney and Sark.

Guernsey is an island of 24 square miles and has a population of around 63,000.¹ Guernsey is administered by the States of Guernsey. Its assembly is the States of Deliberation, which comprises of 38 elected People's Deputies and two representatives of the States of Alderney who are elected separately in Alderney. The Election Expert Mission's mandate covers the election of the 38 deputies in the October 2020 General Election. This was the first time that deputies were elected via a First-Past-The-Post system on an island-wide basis.

The States of Deliberation acts as the overarching executive and legislative assembly with the power to raise taxation and determine expenditure. The States of Deliberation meets every month, except in school holidays, to discuss and debate reports, draft legislation and other matters.

The States of Deliberation has three unelected ex-officio members. The Bailiff of Guernsey is a member and presides over the States. The Bailiff is unelected and non-political, and also serves as the Chief Justice of Guernsey. Both Her Majesty's Procureur (Attorney-General) and Her Majesty's Comptroller (Solicitor General) also sit ex-officio.

¹ States of Guernsey website, available on: www.gov.gg/population

COVID-19 PANDEMIC

The COVID-19 pandemic, inevitably, had an impact upon the electoral process in Guernsey. The election was initially due to take place on 17 June 2020, but in April 2020 it was postponed by a year until June 2021. However, Guernsey's policies to stop the outbreak of COVID-19 worked well, and life in Guernsey returned to normal earlier than expected. Therefore, after several weeks, some Members of the States started lobbying for the election to take place later in 2020. This would mean the delay of the election by an entire year, which had been criticised by some sitting deputies and members of the public, would be shortened to a few months. Eventually, a decision was taken by the States of Deliberation on 1 July 2020 that the election would take place on 7 October 2020.

LEGAL FRAMEWORK

The fundamental law of Guernsey governing elections is found in the Reform (Guernsey) Law, 1948. This law establishes the overarching system of government and the electoral system, including provisions on the right to vote and the right to stand for election. Amended frequently since 1948, the most recent amendments have their origins in a referendum conducted in 2018² which mandated revision of the electoral system. The Reform (Guernsey) (Amendment) (No.2) Law, 2019 gave effect to the changes arising from the decision taken in the referendum. The Reform (Guernsey) (Amendment) (No.2) Law, 2019 (Commencement) (Ordinance), 2020 brought this law into force on 22 April 2020.

This was just short of six months in advance of the election date, offering minimal time for the legal changes to be put into effect. It is usually not considered good practice to amend electoral law so close to an election. The Venice Commission³ recommends that "the fundamental elements of electoral law, in particular the electoral system proper [...] should not be open to amendment less than one year before an election".

Subsidiary legislation, in the form of ordinances and regulations, provides detail on some aspects of the electoral process, including on the registration of political parties, electoral expenditure by candidates, postal voting and the location and timing of polling. Rules on other aspects of the electoral process are dispersed across other pieces of legislation including, for example, the Land Planning and Development (Exemptions) Ordinance, 2007, which provides for an exemption from planning restrictions on the erection of election signs. Some matters are largely unregulated, such as procedures for complaints and appeals relating to voter registration and candidate nomination. Other aspects of the electoral process are governed by customary law and practice, resulting in a lack of certainty in the absence of clear written rules.

International human rights law creates obligations in relation to the conduct of elections in Guernsey. While Guernsey is a British Crown Dependency, international instruments applicable to the UK are not directly applicable in Guernsey⁴ but must rather be extended on an individual basis. Several of the main international instruments pertinent to democratic elections have been

² Conducted on 10/10/2018, five options were given to voters who chose Option A, to have a single island-wide election for 38 deputies to the States of Determination, with a four-year term in office.

³ European Commission for Democracy through Law (Venice Commission) [Opinion No. 190/2002 CDL-AD\(2002\)023rev2-cor](#) (2002) Paragraph II.2 Regulatory levels and stability of electoral law.

⁴ UN ICCPR Committee (2015) [CCPR/C/GBR/CO/7](#), in reviewing UK record, noted with concern that the human rights instrument applicable to the UK was not directly applicable to Crown Dependencies

extended to Guernsey.⁵ These include the International Covenant on Civil and Political Rights and the International Convention on the Elimination of Racial Discrimination. The Convention on the Elimination of All Forms of Discrimination against Women and the Convention on the Rights of Persons with Disabilities have not yet been extended to Guernsey. The relatively recent 2017 UK national report⁶ under the Universal Periodic Review of the UN Human Rights Council stated that work is underway on a broad equality and human rights programme in Guernsey, including on disability and inclusion.

The European Convention on Human Rights applies to Guernsey and has been given domestic effect in the Human Rights (Bailiwick of Guernsey) Law, 2000, which came into force in 2006. This legislation is binding upon public authorities and enforceable in the local courts. A broad swathe of political rights is protected in the Human Rights Law.

Guernsey's legal framework that provides for the conduct of elections complies with local, regional and international standards for democratic elections. Rights of political participation are well protected, with both the right to vote and the right to stand for election particularly well established. The Human Rights (Bailiwick of Guernsey) Law, 2000, and the access to the local courts to vindicate the rights comprised therein, is significant.

Recommendation 1: Greater codification of electoral rules and procedures, either via amending existing election law or via enacting a new omnibus election law, could be considered, in order to ensure that there is certainty and consistency in the law and that it applies equally to all concerned.

BOUNDARY DELIMITATION

Previously, the States deputies were elected in seven multi-member constituencies, called districts (Castel, St Peter Port North, St Peter Port South, St Sampson, South East, Vale and West). These districts elected between five and six deputies, depending on the population of each district. In previous elections, all candidates were independent. However, there was frustration on the island that voters could only vote for a limited number of candidates in their district. There was a call for change by supporters of island-wide votes.

Following considerable discussion in Guernsey, a multi-option referendum was conducted on 10th October 2018 which offered voters the opportunity to vote on the future structure of the electoral system. The States had agreed to adopt the outcome of the referendum if 40% of people on the electoral roll cast their ballot. The referendum was decided on via preferential and transferable voting, with voters ranking up to five options in order of preference. The details of the referendum were set out in The Electoral System Referendum (Guernsey) Law, 2018.⁷ These options were either:

- Option A, one 38-member constituency covering the whole island. Deputies would serve four-year terms;

⁵ [UN HRI/CORE/GBR/2014 Common core document](#) forming part of the reports of States parties: UK, has an extensive commentary on & catalogue of human rights instruments relevant to Guernsey

⁶ [UPR National Report of the UK, British Overseas Territories and Crown Dependencies](#) (2017)

⁷ Available on: <http://www.guernseylegalresources.gg/article/165225/Electoral-System-Referendum-Guernsey-Law-2018>

- Option B, seven districts with five or six seats. Deputies would serve four-year terms. This option was essentially the status quo;
- Option C, seven district constituencies with three, four or five seats, and one 10-member constituency covering the whole island. Voters would vote in one district constituency and the whole-island constituency. Deputies would serve four-year terms;
- Option D, four constituencies with 9, 10 or 11 seats. Deputies would serve four-year terms;
- or Option E, a single island-wide 38-member constituency with one-third of the members (12 or 13) elected every two years for a six-year term.⁸

Option A, which proposed island-wide voting, secured the greatest number of votes in the final round of counting, having received 52.48% of the votes ahead of Option C which received 47.52%. Option B came third in the referendum. The turnout was 45.1%, which meant that the referendum result was adopted.

Thus, the 2020 election saw the institution of a novel format for all stakeholders to deal with the election of States deputies. Deputies were elected in a single island-wide district for the first time. Voters had 38 votes and were able to choose from the full list of candidates. Deputies were elected to serve for a term of 4 years.⁹ The formation of political parties was provided for by law, and three parties were registered to participate in the election.

The institution of island-wide voting had the effect of creating several outcomes that perhaps had not been entirely predicted before the election, such as a complex ballot paper and a significantly elongated counting process requiring the use of ballot scanning and electronic tabulation.¹⁰

ELECTION ADMINISTRATION

Election administration in Guernsey is not a permanent aspect of the governmental infrastructure. The staff are drawn from other parts of the civil service, including the Registrar-General of Electors who maintains electoral registration. The elections team seems to have general respect among stakeholders for carrying out its activities in an independent and impartial manner and for its readiness to provide information to voters and candidates. Nonetheless, the International Covenant on Civil and Political Rights, which applies to Guernsey, has been interpreted as requiring that an independent electoral authority should be established to supervise the electoral process.¹¹

The elections team is responsible for the planning and implementation of all aspects of the election process from publicity to polling day and from staff recruitment to engaging technology to conduct the counting process. The work is extremely demanding, with fixed deadlines and limited resourcing. The staff are to be commended for their work in achieving an effective election operation and polling day.

⁸ States of Guernsey website, available on: www.gov.gg/referendum

⁹ Due to the change in election dates due to COVID-19, the States agreed that the next election should be held in June 2025. Effectively, the deputies will therefore serve a term of 4 years, 8 months and 14 days.

¹⁰ Island-wide voting had previously been used to elect a smaller number of Conseillers for the island.

¹¹ UN Committee on Human Rights (27 Aug 1996) [General Comment 25 "The Right to Participate in Public Affairs, Voting Rights and the Right to Equal Access to Public Service," 1510th meeting \(fiftyseventh session\)](#)

The Mission was told that nearly all arrangements for the June 2020 General Election were in place in early March, and that postponing the election to October meant a number of changes were needed, including adapting the recruitment of volunteers, amending the www.election2020.gg website, reorganising services being offered by third parties (in particular the production of ballot papers and the provision of electronic ballot scanners), reorganising training sessions, rewriting guidance and introducing contingency plans to cover all eventualities should the island move backwards in relation to COVID-19.

The restrictions imposed by the States of Guernsey to combat the spread of COVID-19 interrupted the election preparations for several months. Public outreach activities resumed once restrictions were lifted. The election administration should be commended for producing engaging public service announcements and making these available to the public on online platforms. This election took place in a context of extraordinarily challenging barriers, but the elections team still managed to deliver an effective election.

Recommendation 2: A permanent dedicated elections body should be constituted so that institutional knowledge and expertise can be embedded in the Guernsey electoral system. This body could provide continuous electoral oversight, including oversight of candidate and voter registration, political parties and campaign finance.

THE RIGHT TO VOTE

The right to vote is well protected in the law of Guernsey. Article 27 of the Reform (Guernsey) Law, 1948, sets out the qualifications to vote. Any resident on the island may apply to be included in the Electoral Roll, without any criteria as to nationality or citizenship. The only requirement is that a voter be “ordinarily resident”, which is defined as meaning that someone is living lawfully, and has a home, in Guernsey. One may be ordinarily resident without a fixed or permanent address.

In addition to being ordinarily resident when applying for inscription in the Electoral Roll, the intending voter must have been ordinarily resident for a period of at least two years immediately prior to the date of registration, or else for a period or periods of five years in total at any time prior to this. Persons aged 16 and above may vote, but they may be included in the Electoral Roll from the age of 15. Article 30 of the Reform (Guernsey) Law, 1948, provides that voting is by secret ballot.

The voting rights of prisoners are protected in the Reform (Guernsey) Law, 1948, in Article 27A. Two possibilities are available, in that prisoners may register for a postal vote or may vote in person, at the discretion of the Prison Governor. Postal voting has been available to all absent voters since 1972. Advance voting was provided for the first time in this election.



Polling stations

VOTER REGISTRATION

Voter registration in Guernsey is voluntary. There is no requirement for residents to be on the register. The Electoral Roll opened in December 2019 and was subject to an extensive media campaign. As a result of the outbreak of COVID-19 in March 2020, outreach initiatives had to be scaled back and reconsidered in light of the uncertain situation the island found itself in.

It was originally decided to delay the election from June 2020 to the same time in 2021. However, following the decision of the States of Guernsey to proceed with the election in October 2020, the election team campaigned extensively from 1st July onwards to encourage voters to register, with an extensive multi-channel approach, from radio, television, door drops, bus advertising and social media to more traditional methods.

The voting age in Guernsey is 16. In order to vote residents should have been registered by 21st August. The Election Expert Mission was informed that when the Electoral Roll closed at midnight on Friday 21st August, 31,301 voters had registered to vote. The population of Guernsey was 63,021 at the end of December 2019.¹² This number includes residents of Alderney and Sark (approximately 2,500), as well as people under the age of 16, neither of whom are eligible to vote in this election. An estimated 79% of people were eligible to vote (49,807).¹³ Of these estimated eligible voters, only 62.8% were registered on the electoral roll. So, although the number of registered voters was higher than in the past two General Elections in 2012 and 2016, there is still a significant gap between those who are registered to vote and those that could be entitled to vote. And even though this election saw a record voter turnout of registered voters (79%), only an estimated 49.6% of eligible voters voted in this election.

Voter registration is conducted on an ad hoc basis in the lead up to a General Election, and there is no rolling register of electors throughout the years in which no election is being held. This means the election team conducts voter registration campaigns, while having to organise all other aspects of the election simultaneously. The electoral roll is available for public inspection on an annual basis in March. However, access to the roll ahead of the election, as amended since March, was unclear.

Recommendation 3: Formal processes of voter registration could be introduced as part of an ongoing rolling process of registration. Voter registration could be done as part of any annual engagement that residents have with the state, such as filing tax returns.

THE RIGHT TO STAND FOR ELECTION

The right to stand for election is set out in Article 8 of the Reform (Guernsey) Law, 1948. This requires only that a candidate be of full age, which is 18 years of age, and be ordinarily resident on the island on the date of nomination. A candidate must have been ordinarily resident in the island for either a period of two years immediately before the date of nomination, or for a period or periods of at least five years in total at any time prior to nomination. The candidate must also be a registered voter, a qualification which was introduced in advance of this election.

¹² States of Guernsey (29 Oct 2020) 'Guernsey Quarterly Population, Employment and Earnings Bulletin', p.9, available on: <https://www.gov.gg/CHttpHandler.ashx?id=132534&p=0>

¹³ Ibid

Nomination requires the support in writing of two voters who are on the Electoral Roll. No deposit or fee is payable. The nominee must submit a declaration of eligibility to hold the office of People's Deputy. The person must also declare any unspent convictions which resulted in imprisonment anywhere in the world, or else the absence of such convictions.

There is a disqualification in Article 8 which excludes anyone who, during the five years preceding the election, was sentenced to imprisonment for a period of six months or more by a court in the UK, the Channel Islands or the Isle of Man. The International Covenant on Civil and Political Rights, applicable to Guernsey, provides, in Article 25, that citizens shall have the right and opportunity to take part in the conduct of public affairs. This has been interpreted to mean that the right to stand for election may be suspended or excluded only on grounds which are "objective and reasonable".¹⁴ It is arguable that the exclusion of all those sentenced to imprisonment, without regard to the nature of the offence, is unreasonable.

Recommendation 4: Consider removing the provision in Article 8 of the Reform (Guernsey) Law, 1948, which disqualifies voters who have been sentenced to imprisonment for a period of six months or more, from eligibility to become a People's Deputy.

CANDIDATE REGISTRATION

A record total of 119 candidates were nominated for this election. This offered voters an unprecedented level of choice, while it also required them to read a broad range of manifestos. Although the vast majority of candidates stood as independents, three political parties were registered and nominated candidates, a total of 41 between the three of them. These were:

- the Alliance Party, registered in February 2020, which nominated eleven candidates, two of whom were women;
- the Guernsey Party, registered in August 2020, which nominated nine candidates, including one woman;
- and the Guernsey Partnership of Independents, also registered in August 2020, which nominated 21 candidates, nine of whom were women.

Political parties are narrowly defined in the Reform (Guernsey) Law, 1948, which provides that a political party is "a free association of persons, one of the aims of which is to participate in the management of public affairs, including through the presentation of candidates to free and democratic elections." Applications for registration are made to the States' Greffier, who maintains a register of political parties. Registration depends upon a party having certain office holders, a constitution, and submission of an application signed by two party members who are registered voters, and payment of a fee of £80.¹⁵ Parties will be registered on satisfaction of these requirements, unless the name or emblem of the party is offensive or confusing.

In addition to rules on registration, political parties also have obligations to file annual accounts with the Greffier. They must also comply with the rules on election expenditure, set out in Article 45 of the Reform (Guernsey) Law, 1948, and the Electoral Expenditure Ordinance, 2020. Beyond

¹⁴ UN Committee on Human Rights (27 August 1996) [General Comment 25: The Right to Participate in Public Affairs, Voting Rights and the Right of Equal Access to Public Service \(Art. 25\)](#), paragraph 4.

¹⁵ [The Registration of Political Parties \(Fees\) Regulation, 2020](#)

these rules, there is no further regulation of political parties. While this has not hindered the conduct of the election, further legislative intervention may become necessary to govern the operation of parties in political life.

ELECTION CAMPAIGN

Not visiting the island has considerably restricted the Mission's ability to analyse the nature of the campaign in Guernsey, but aspects have been possible to assess through evidence gathered from online and social media, as well as through interlocutor meetings.

The election campaign appears to have been extremely competitive, with a large number of candidates, 119, seeking one of the 38 seats available. Independent candidates and political parties campaigned freely and peacefully, with no reports of impediments to campaign activities. The creation of party politics saw 41 candidates stand for one of the three political parties, while the remaining 78 candidates fought as independents.

There is a strong tradition of public meetings in Guernsey. This has somewhat changed with the arrival of island-wide voting due to the logistical challenges of hosting 119 candidates. Previously, these events were based in the local constituencies with a more manageable number of candidates in attendance. However, some public events were organised by several civil society groups. These include: the Guernsey Disability Alliance; Standing up for Guernsey's Environment; Life in Guernsey 2020 Work, Rights and Wellbeing Hustings; Guernsey Churches Convention for Candidates; Guernsey Institute Stakeholder event for candidates; Grammar School Meet the Candidates, and the Royal College of Nursing Hustings.

Campaigning has been different in this election, with some candidates campaigning on their own and others through one of the three parties. The introduction of parties was a focus point in the campaign of many candidates.

Candidates issued literature of their own, and posters were displayed. Whilst canvassing was once seen as the norm in smaller district constituencies, the practical limitations of candidates visiting every registered elector meant that in-person meetings and campaigning have been less frequent than in previous elections.

CAMPAIGN FINANCE

In a small jurisdiction like Guernsey, access to candidature is relatively open and the issues of campaign finance were not raised to any great extent with the Election Expert Mission. However, because of the significant change in boundary delimitation that took place for this election, moving from local smaller constituencies to an island-wide system, there are possible challenges to future potential candidates accessing the process.

Each nominated candidate received some support for their candidature from the States of Guernsey. Support took the form of:

- A candidate manifesto booklet containing a maximum of two sides of A4 sized paper per candidate, produced by the States of Guernsey and delivered to all homes on the Electoral Roll.
- A grant of £500 for each candidate.

- A free dedicated web page consistent with the manifesto booklet for each candidate.
- An event organised to facilitate voters meeting candidates. Each candidate was given an allocated table and chairs in a large sports hall. Arranged alphabetically they were either grouped by political party, or individually. Members of the public were encouraged to meet each candidate as desired. Whilst not a financial benefit there is an implicit 'in kind' financial element to this event.

There is no nomination fee or deposit required to stand for election, which facilitates ease of access to participate in the election. Campaign finance regulations for political parties were introduced for the first time this election. The regulations stated that the candidate expenditure limit would be £6,000 (including the generous £500 state support) and that the expenditure by a political party was only permissible by virtue of candidates affiliated to that party assigning a maximum of 50% of their permitted electoral expenditure to the party, and that such expenditure by a political party in any election may not exceed in total twice the permissible electoral expenditure for an individual candidate or £9,000, whichever is the lesser.¹⁶

The appearance of three registered parties in this election was a matter of considerable discussion. The nature of the parties' appearance in the election meant that their capacity to campaign, share finance and collaborate in saving on costs of their campaigns made them potentially better resourced than their independent opponents.

Some consideration should be given to the so-called pre-election period. Whilst election expenses are defined and limited for the period when the election campaign is 'live' and candidates have been nominated, no such limitations or reporting requirements exist for the period before an election, when a candidate or party has indicated its intent to contest an election. This period could potentially see high levels of spending by election campaigners without any oversight or limitation. With the advent of parties in the Guernsey context this may become an area of concern where parties exist and function throughout the period of a session of the States of Deliberation but there is limited oversight of their funding, finances or campaign expenditure except to make an annual declaration of their accounts to the nominated officer – the Greffier. This could lead to a significant imbalance in campaign parity between parties, richer individuals and ordinary citizens who wish to seek election in the future, whether as a party-affiliated candidate or as an independent candidate.

Recommendation 5: Political parties should be subject to oversight, and their finances should be evaluated on an annual basis. Individual candidates' pre-election fundraising and expenditure should also be assessed and recorded. Reporting should not be onerous but simply conducted by the production of evidence.

Recommendation 6: Boundaries of pre-election and annual expenditure should be clearly defined. The limitations of expenditure outside the formal period of nominated candidature could be within similar boundaries to those defined for the election period, except with no additional public subsidy.

¹⁶ Guernsey Election Website (August 2020): 'Information for Prospective Candidates: Guidance Notes', p.15, available on: <https://election2020.gg/media/k0ghm3qj/guidance-for-candidates-final-26-08-2020.pdf>

MEDIA

Although not extensive, Guernsey is served by an active, engaged, and local media. There is also active social media engagement, which appears to have been especially popular during the election campaign, spawning accessible processes for voters to assess who they might be most aligned with. There is a healthy media landscape which, although small, is free and open.

BBC Guernsey is a dedicated arm of the UK's BBC, which is funded by a license fee. It is based in Guernsey and reported on the campaign. During the election, BBC Guernsey broadcast a series of candidate hustings on the radio and it reported extensively on the various changes and novelties of the election reflecting the changing nature of the process, such as the number of candidates and the length of the ballot paper.

Guernsey is also served by ITV, in the form of Channel TV and a news website. It covers all of the Channel Islands, not simply Guernsey.

The Guernsey Press is the newspaper in Guernsey. Founded in the nineteenth century, the daily newspaper has significant coverage in Guernsey. As well as covering the election it also took paid advertising from candidates and parties. It has had no stated editorial line on support for parties or individual candidates. Guernsey is also served by The Bailiwick Express, an online media platform, which also covers Jersey.

Some media outlets faced challenges when covering the election because of quarantine restrictions in Guernsey due to COVID-19, as it impeded their ability to move equipment and personnel to Guernsey. Whilst not a limitation on press freedom, this does seem to have had some effect on the variety and depth of some of the media channels' capacity to offer its planned programming concerning the election.

Although some media respected an informal period of silence in their reporting on election-related matters during Advance Voting days and Election Day, this was not formalised. One aspect of the media coverage that was notable was the approach taken by the media towards incumbent politicians. The media's policy and practice of maintaining impartiality during the election period to afford equal and fair access to all candidates, whether incumbent or otherwise, was commendable.



Poster inside a polling station

Guernsey also has an active social media landscape, which was especially active during the island-wide election, where the 119 candidates may have been less individually known to the electorate. Interlocutors shared significant commentary that the electorate was active on social media and that it engaged with the issues of the campaign. Little or no evidence of intimidation or abuse was provided beyond the normal cut and thrust of political debate during an intensive election campaign. No comments or significant concerns were shared by the election authorities, law enforcement or candidates about intimidation, or worse, on social media.

TECHNOLOGICAL INNOVATION

Whilst much of the technology used in the election was focused on the process of encouraging residents to register to vote through social media there was also significant investment in technology to assist the vote count because of the significant change in the voting process.

As voters were offered up to thirty-eight votes on their ballot paper, scannable ballots were issued to voters that could either be cast in a polling station or by post.

As part of the counting process these ballot papers were then scanned, using commercially available scanning equipment. Optical Mark Recognition (OMR) technology was used to scan each vote on the ballot paper and record it. This was supplied by a UK-based company that was brought to Guernsey with all the necessary equipment to conduct the count. One of the challenges discussed with the interlocutors was the impact of the high number of returned postal ballots that were creased and ripped, which meant that ballots could not get scanned by the software.

This led to a high number of votes being rejected by the scanners and then being replaced (transposed) with a new non-creased ballot which the scanning equipment could accept. Whilst the equipment worked well, from the virtual observations that the Election Expert Mission could conduct, there was still a high number of human interactions with the ballots such as the 'transposition' process and the need for manual adjudication. Please see the section on Counting for further comment on this.

VOTING

Voting took a significantly different form compared to previous elections, as 69% of the registered electorate registered for a postal vote. In total, 21,271 postal votes were issued, including those sent to voters outside Guernsey.

Guernsey also saw significant extensions to the methods of voting for those who wished to vote in person at a polling station. As the information from the elections team indicates, 'it was agreed to introduce advance polling stations to increase the number of days that people on the Electoral Roll could cast their votes, and to enable voters to choose from voting in their parish polling station or at a 'super-polling' station.'¹⁷

Polls were open from 8am to 8pm as follows:

- Saturday 3 and Sunday 4 October: St Sampson's High School and The Princess Royal Performing Arts Centre;
- Tuesday 6 and Wednesday 7 October (formal polling day): all parish polling stations (14 in total) and The Princess Royal Performing Arts Centre.

Voters could attend the polls in person and vote for up to 38 deputies. Those who had been issued with a postal ballot were not eligible for a replacement ballot but could deliver their completed postal ballot to a polling station at any stage in the process.

¹⁷ Guernsey Election 2020 website, available on: <https://election2020.gg/voting/where-to-vote/>

To be issued with a ballot paper, voters are only required to give their name and no identification is required. The process depends on trust that the voter will not impersonate another voter on the electoral register, and no concerns about this practice were shared with the Mission. Voters also have the capacity, at the discretion of the Registrar General of Electors, to register to vote in the polling station on polling day if they have been inadvertently left off the register due to administrative error. The Mission was informed that this facility was used on a handful of occasions.



Polling booths inside a polling station

The staffing of polling stations is done on an unpaid voluntary basis. In previous elections, staffing of polling stations was arranged by the Douzaines, the administrative bodies of the parishes. For the first island-wide General Election the polling stations were the responsibility of the Registrar-General of Electors. The Douzaines still ran the polling stations using parish officials and volunteers and the States also advertised for volunteers to carry out various tasks on polling days. If extra staff were required, they were co-opted by members of the Douzaine from the local area as required. There did not seem to be an open process of application for these roles. With polling station staff working in shifts throughout polling days, there can be a high turnover of staff on the same day. This could potentially lead to a variable service for voters visiting the polling stations at different times throughout the day and lead to an inconsistency of electoral administration. The elections team provided training to all staff working in polling stations, which most staff attended. However, some staff felt strongly that training was unnecessary and there is evidence that some staff volunteered without having received training.

Recommendation 7: The recruitment process for polling station staff should be open and publicly advertised, and increased training for polling station staff should be considered.

The ballot paper caused a number of concerns for third sector groups, especially those associated with voters with partial sight or motor problems. The nature of the ballot required voters to fill in small oval shapes on the ballot (which could be scanned and recorded using the electronic counting equipment). This posed challenges for some voters as these ovals were relatively indistinct on investigation.

COUNTING

Counting began on Thursday 8 October at the Beau Sejour Leisure Centre in St Peter Port. Ballot boxes started to arrive from secure storage at 6am, with staff and counting teams arriving from approximately 8am. The Chief Returning Officer briefed those candidates attending the count at 8.30am. The first ballot boxes were opened at 9am and counting began.

Counting staff are paid a fee of £15 per hour. Specialised ballot scanners and software were engaged from the UK to conduct the count. The staff associated with the scanning technology were afforded critical worker status to conduct their work in Guernsey.

Counting should have three separate stages in the following order, in line with international best practice:

1. a verification of the number of ballot papers cast;
2. a verification of the number of votes cast (this stage is only relevant if voters can vote for more than one candidate, such as in the Guernsey 2020 election);
3. a vote count verifying how many votes the candidates received.

These three steps ensure a rigorous counting process. However, in this election the first two steps did not appear to take place as separate parts of the counting process. The first step would involve the counting staff counting how many ballots were received before moving on to counting votes, which would be relatively easy to implement. The second step would be more complex. Bearing in mind each elector had anywhere between 1 and 38 votes to cast, the total number of votes cast could have been up to approximately 900,000 votes in this instance. This could potentially be labour intensive and time consuming.

Recommendation 8: The number of ballot papers cast should be verified at the start of the vote count. Adding an additional verification step should also be explored, namely the verification of the total number of votes cast.

Once the ballots had been opened, in the case of postal ballots, and emptied from ballot boxes, they were fed through the electronic scanning equipment to analyse whom the elector had chosen. Two scanning machines were used for this purpose. Ballots were checked for accuracy by staff on desktop screens and approved as required.

Numerous ballot papers were rejected because the scanning equipment was unable to assess them correctly, due to being creased when returned in the post or ripped when envelopes were opened by counting staff. In these cases, counting staff assessed the ballot paper and then 'transposed' the original information onto a fresh ballot paper that would be accepted by the ballot scanner. This was a labour-intensive process, and to third party observers it was an unusual and potentially concerning method, due to the large amount of human engagement which could facilitate possible human error. While no evidence of malpractice was observed virtually, this could have been a possibility, particularly as a significant number of ballots were transposed via this method (852 in total). Once the original ballot had been transposed, it was kept in a separate pile from the newly transposed ballots, with no apparent audit trail in place linking the two ballot papers. This could have prevented a rigorous countback audit process. If candidates or agents had wanted to check the audit trail to ensure no errors had been made in this transposition process, this would not have been possible.

Recommendation 9: A rigorous countback audit process should be put in place, so that an original ballot paper that is 'transposed' can be checked against the newly transposed ballot paper that is used to replace it.

The declaration of the results was issued in the early hours of Friday morning 9 October, broadcast live on BBC Radio Guernsey and other media outlets. All candidates were announced in alphabetical order, and those elected were listed separately in the order of their election.

Following the declaration, a recount was requested, which had been widely anticipated. As per the Reform (Guernsey) Law, 1948, a recount could be requested by unsuccessful candidates if the margin of difference between them and the successful candidate placed 38th was 2% of the total number of people voting. Under the new island-wide voting system, this translated to a margin of approximately 400-500 votes. This is a generous margin which means the chances of a recount are high. In this election, six candidates were eligible to request a recount, and four of them did. Election authorities may wish to re-evaluate the basis on which recounts can be requested in future elections under the current island-wide system. It might be more practical if the margin of difference between the candidate placed 38th and those below him/her would relate to a percentage of the difference between these contestants in the number of votes cast, rather than a percentage of the total number of ballots issued.

The recount was conducted on Saturday 10 and Sunday 11 October, with the final results being available on Sunday evening. There was no material difference between the original declaration and that made after the weekend recount.

PARTICIPATION OF WOMEN

Women have long been participants in the States of Deliberation, but in numbers which have been quite inconsistent. In 2016 twelve women were elected, amounting to 32% of the representation of Guernsey in the assembly. This was the cause of some celebration, as just five women had been elected in 2012, amounting to 11% of the then membership.

Of the 119 candidates in this election, only 28 were women. Just eight of them were elected, among the total of 38 deputies representing Guernsey, amounting to 21%. This figure falls short of the minimum advocacy goal of 30% of women in parliament espoused in the Beijing Platform for Action, and very far short of the goal of gender parity of 50% men and women.

This is a disappointing outcome from the perspective of gender equality. Guernsey's legal framework offers scant regulation promoting equality of access to political office for women. The absence of equality law, particularly in the sphere of employment rights and equal pay, offers some evidence of historical and cultural discrimination against women which has yet to be eradicated. There is also an absence of any special measures to promote the increased participation of women in political life.

The UN Convention on the Elimination of All Forms of Discrimination against Women has not yet been extended to Guernsey. Attention was drawn to this fact when the Committee on the Elimination of Discrimination against Women most recently examined the 2017 report of the UK on compliance with the treaty obligations. In its concluding observations the Committee stated¹⁸ that it remained concerned that the provisions of the Convention have not been given effect in Guernsey.

¹⁸ UN Committee on the Elimination of Discrimination against Women (14 March 2019) [CEDAW/C/GBR/CO/8 Concluding Observations on the Eighth Periodic Report of the UK](#), page 4/16.

A new Discrimination Ordinance is under preparation in Guernsey, but this is narrow in focus. Article 4 of CEDAW would, if extended to Guernsey, make provision for the enactment of temporary special measures to accelerate de facto equality for women, such as to promote the candidacy of women. Among measures to support to women, political parties, in particular, could be encouraged “to adopt effective measures, including the provision of information, financial and other resources, to overcome obstacles to women’s full participation and representation and ensure that women have an equal opportunity in practice to serve as party officials and to be nominated as candidates for election”.¹⁹ Article 7 of CEDAW obliges parties to the convention to “take all appropriate measures to eliminate discrimination against women in the political and public life of the country” which includes ensuring that women “hold public office and perform all public functions at all levels of government”.

Recommendation 10: Extension of Articles 4 and 7 of the Convention on the Elimination of All Forms of Discrimination against Women to Guernsey should be pursued without delay. This will entail enactment of legislation to enable fulfilment of convention obligations in advance of the extension.

PARTICIPATION OF PERSONS WITH DISABILITIES

The Convention on the Rights of Persons with Disabilities makes provision in Article 29 for the participation in political and public life of persons with disabilities. Article 21 of the convention further requires that parties shall take all appropriate measures to ensure the freedom of expression and opinion and access to information of those concerned. The convention has yet to be extended to Guernsey. Legislative preparations are underway to allow such extension, as equality law in the form of a new discrimination ordinance has been drafted and appears likely to be enacted soon.

Recommendation 11: Extension of Articles 21 and 29 of the Convention on the Rights of Persons with Disabilities should be pursued without delay. This will entail enactment of equality legislation to enable fulfilment of convention obligations in advance of the extension.

In the meantime, the present legal regime protects the political participation rights of persons with disabilities. In 2016 a provision was added to the Reform Law which abolished “the mental incapacity” to vote. Article 27B now provides that any rule of law which provides that a person is subject to a legal incapacity to vote “by reason of his or her mental state” is abolished. This represents a liberal approach to voters with intellectual disability or mental illness.

Commendable efforts were made by the Registrar-General and her team to ensure access to polling stations for persons with physical disabilities. Polling stations were almost entirely accessible independently, with the exception of the polling station in St. Andrews. This deficiency was well communicated in advance and all voters wishing to do so could vote instead at the super polling station at the Performing Arts Centre, which was accessible.

¹⁹ UN CEDAW (1997) [General Recommendation 23: Political and Public Life](#), paragraph 32.

The ballot paper, which required the careful shading in of small ovals, to be recorded by optical scanner, gave rise to some concerns regarding difficulties posed for voters with visual or motor impairments. The ovals were relatively indistinct on investigation. Magnifiers were available for those who wished to use them. Voters may, by law, be assisted to vote, but secrecy is compromised for such voters. They do not have the facility to vote independently.

ELECTORAL JUSTICE

One of the fundamental elements of a legitimate electoral process is that provision is made for access to justice to resolve any disputes which may arise. International law provides for the right to an effective remedy, which includes both fairness and timeliness.²⁰ There is little detail of any procedures, in electoral law in Guernsey, to facilitate the making of complaints and appeals during the electoral process. There is no evidence, however, that there was any denial of access to justice or fair procedures during this election.

Electoral disputes are not segregated from other legal disputes in Guernsey. There is a presumption that fair procedures will be applied throughout the electoral process, including in relation to voter registration and candidate nomination. Recourse to judicial review before the courts is available. Uniquely in the Guernsey electoral sphere, the rules on the registration of political parties provide that decisions of the Greffier may be challenged in the Royal Court, with an appeal from that decision available to the Court of Appeal.

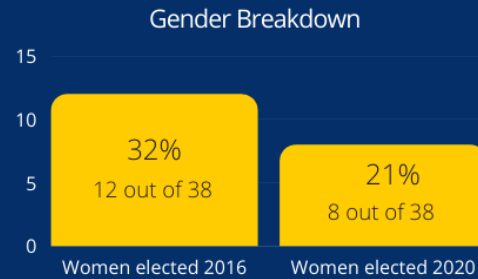
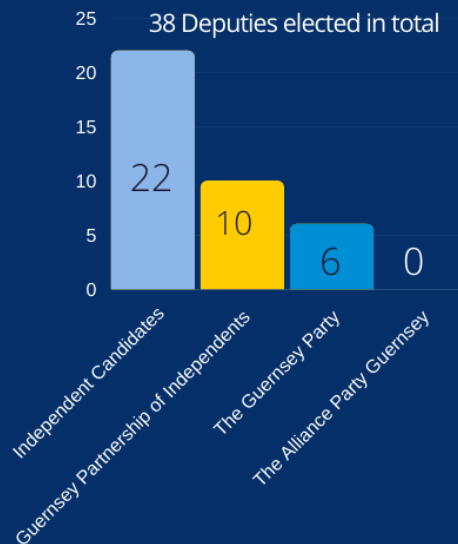
There were no complaints or appeals brought to the courts related to this election.

Recommendation 12: Consideration should be given to the introduction of a system of complaints and appeals for all stages of the electoral process. Detailed procedures should be set out regarding the authority responsible to receive and adjudicate upon disputes arising in relation to voter registration, candidate nomination, voting and counting and all other aspects of the electoral cycle. Fair procedures must apply to any such regulations, with clear deadlines providing for the submission of complaints, making appeals and delivery of decisions, as well as rules of standing to lodge complaints.

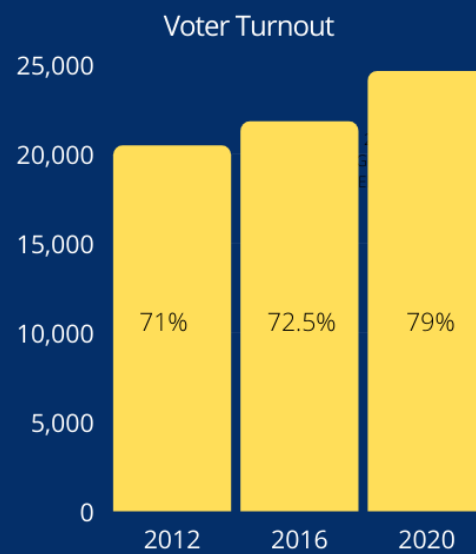
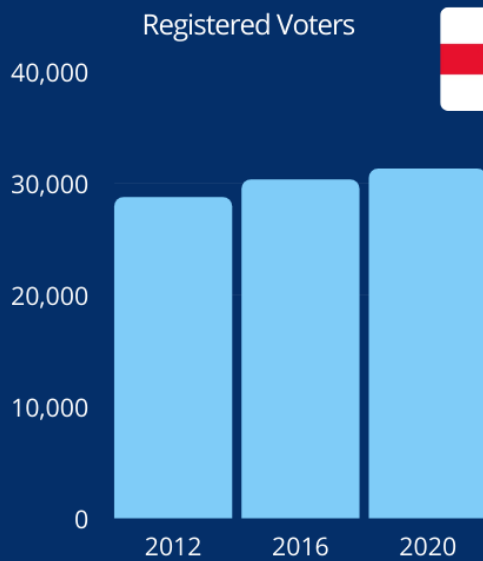
²⁰ The International Covenant on Civil and Political Rights establishes the right to an effective remedy in Article 2.3; the Universal Declaration of Human Rights also provides for an effective remedy in Article 8, and for a fair and public hearing by an independent and impartial tribunal in Article 10.

ELECTION RESULTS

Guernsey 2020 Election Results



Over 67% of registered voters opted for postal votes.



RECOMMENDATIONS

1. LEGAL CODIFICATION

Greater codification of electoral rules and procedures, either via amending existing election law or via enacting a new omnibus election law, could be considered, in order to ensure that there is certainty and consistency in the law and that it applies equally to all concerned.

2. ELECTIONS BODY

A permanent dedicated elections body should be constituted so that institutional knowledge and expertise can be embedded in the Guernsey electoral system. This body could provide continuous electoral oversight, including oversight of candidate and voter registration, political parties and campaign finance.

3. VOTER REGISTRATION

Formal processes of voter registration could be introduced as part of an ongoing rolling process of registration. Voter registration could be done as part of any annual engagement that residents have with the state, such as filing tax returns.

4. RIGHT TO STAND

Consider removing the provision in Article 8 of the Reform (Guernsey) Law, 1948, which disqualifies voters who have been sentenced to imprisonment for a period of six months or more, from eligibility to become a People's Deputy.

5. OVERSIGHT OF POLITICAL PARTIES

Political parties should be subject to oversight, and their finances should be evaluated on an annual basis. Individual candidates' pre-election fundraising and expenditure should also be assessed and recorded. Reporting should not be onerous but simply conducted by the production of evidence.

6. CAMPAIGN EXPENDITURE

Boundaries of pre-election and annual expenditure should be clearly defined. The limitations of expenditure outside the formal period of nominated candidature could be within similar boundaries to those defined for the election period, except with no additional public subsidy.

7. POLLING STATION STAFF

The recruitment process for polling station staff should be open and publicly advertised, and increased training for polling station staff should be considered.

8. VOTE COUNT

The number of ballot papers cast should be verified at the start of the vote count. Adding an additional verification step should also be explored, namely the verification of the total number of votes cast.

9. COUNTBACK AUDIT PROCESS

A rigorous countback audit process should be put in place, so that an original ballot paper that is 'transposed' can be checked against the newly transposed ballot paper that is used to replace it.

10. PARTICIPATION OF WOMEN

Extension of Articles 4 and 7 of the Convention on the Elimination of All Forms of Discrimination against Women to Guernsey should be pursued without delay. This will entail enactment of legislation to enable fulfilment of convention obligations in advance of the extension.

11. PARTICIPATION OF PERSONS WITH DISABILITIES

Extension of Articles 21 and 29 of the Convention on the Rights of Persons with Disabilities should be pursued without delay. This will entail enactment of equality legislation to enable fulfilment of convention obligations in advance of the extension.

12. ELECTORAL JUSTICE

Consideration should be given to the introduction of a system of complaints and appeals for all stages of the electoral process. Detailed procedures should be set out regarding the authority responsible to receive and adjudicate upon disputes arising in relation to voter registration, candidate nomination, voting and counting and all other aspects of the electoral cycle. Fair procedures must apply to any such regulations, with clear deadlines providing for the submission of complaints, making appeals and delivery of decisions, as well as rules of standing to lodge complaints.

ACKNOWLEDGEMENTS

The CPA BIMR Election Expert Mission wishes to express its gratitude to the States of Guernsey, election officials, candidates and to the people of Guernsey for their cooperation and assistance during the course of the virtual Mission.

For further information about this Mission, please contact cpauk@parliament.uk.

CPA BIMR ELECTION OBSERVATION SERVICES

The first objective of the BIMR Strategy is to strengthen parliaments and the skills of their members. As part of this work, CPA BIMR facilitates election observations when invited to do so.

For more information about these services, please contact the CPA BIMR Secretariat at cpauk@parliament.uk.



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REVIEW OF THE 2020 GENERAL ELECTION

REPORT OF THE REGISTRAR-GENERAL OF ELECTORS

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Introduction

The 2020 General Election took place on 7th October 2020. It was the first island-wide General Election and took place during a global pandemic. Both of these factors meant that the complexity of delivering the election was greatly increased and it is therefore a credit to all involved that it has largely been deemed a success by the community and that this was confirmed in the report of the Commonwealth Parliamentary Association British Islands and Mediterranean Region (CPA BIMR), which had conducted a virtual Election Expert Mission to the election, and concluded that “[t]he Guernsey Election was a successful democratic exercise.”¹

The first island-wide General Election saw 24,647 voters turn out, which was an increase of almost 3,000 over the 2016 election. Turnout was 79.77%, again higher than in 2016 when 72.5% of those on the Electoral Roll cast their votes. There were 30,899 people on the Electoral Roll and eligible to vote, a slight increase on the 2016 figure. (There were also some under-16’s registered who were not eligible to vote on this occasion.)

Prior to the General Election, the States’ Assembly & Constitution Committee (SACC) and the Committee *for* Home Affairs agreed the following criteria to measure the success of the 2020 General Election:

- i. A high percentage of those eligible to vote are registered on the Electoral Roll;
- ii. A good number of candidates stand for election;
- iii. The majority of those on the Electoral Roll cast their votes; and
- iv. There is a fair, efficient and democratic election.

A review of the election has been carried out, which has considered the above criteria and other matters, and, in accordance with the Resolution of the States dated 12th December 2019² the following have been consulted in preparing this review:

- Candidates in the General Election (elected and unelected);
- Members of the General Election programme board;
- Officers, parish representatives, and volunteers involved in the delivery of the General Election;
- Election service providers (e.g. communications, e-count solutions); and
- The voting public

Broadly speaking, feedback was positive, particularly around some of the communications tools that were offered to assist voters, and a number of constructive suggestions have been put forward for consideration of how future elections might be improved. This report

¹ CPA BIMR Election Expert Mission Final Report, available on: <https://www.uk-cpa.org/media/3806/final-report-cpa-bimr-eem-to-guernsey-2020.pdf>

² Billet d’Etat XXIV, 2019

considers and expands on those suggestions and includes a number of recommendations for consideration by SACC, which are repeated at the end of the document.

The report does not focus on operational improvements, as these fall within the remit of the Election Project Board and are not matters for the SACC or States to determine but, where relevant, they are mentioned to provide reassurance that they have not been overlooked.

Timing of the Election

No report on the Election would be complete without reference to the timing of the Election, which was originally scheduled to take place on 17th June 2020. When the Covid-19 global pandemic emerged, as a result of which Guernsey entered lockdown on 25th March 2020, SACC swiftly considered the implications of this for the island's ability to hold a General Election and submitted a policy letter to the States³ recommending that the Election be delayed, as it would not be possible to hold a free and fair Election if activities such as canvassing, hustings and, in particular, voting were likely to be prohibited or at least significantly impacted. On 15th April the States agreed that the Election should be postponed until 16th June 2021. Consequently, Election resources were scaled back, with temporary contracts being terminated and Election-related work streams deprioritised.

Before long it became apparent that Guernsey's lockdown measures had proved extremely successful, to the extent that, with the exception of travel restrictions, activities on island largely returned to pre-pandemic levels. Against this backdrop, SACC was asked to reconsider the feasibility of holding the election in 2020. After considering the resultant policy letter from SACC⁴, which was submitted as an urgent proposition under Rule 18 of the States' Rules of Procedure, the States resolved, on 1st July 2020, that the General Election should take place on 7th October 2020.

This meant that activity had to be stepped up immediately in order to ensure the election could be delivered in October 2020. Contracts were reinstated and work streams were resumed as soon as practicable. Whilst this meant that the election was successfully delivered on 7th October, the effort required to pick up all the work again at short notice, combined with the need for considerable contingency planning, should not be underestimated and it is important to acknowledge the contribution of everyone who played a part in making the election happen. This includes not only officers of the States but also Parish officials and volunteers, who willingly gave up their time to help.

³ Billet d'Etat VII, 2020

⁴ Proposition P.2020/117 available [here](#).

Legislative Framework

The Reform (Guernsey) Law, 1948 sets out the requirements for elections in Guernsey. The Law deals not only with General Elections but also with other separate, but related, matters such as the election of Parish officials and the constitution of the States of Deliberation. The Law has been amended many times in response to the changing requirements of democracy, and underwent extensive and significant amendment in 2019 by way of the Reform (Guernsey) (Amendment) (No. 2) Law, 2019, following the decision to move to island-wide voting.

Some of the details around elections are set out in Ordinances and Regulations made under the primary legislation. For example, the Advance and Super Polling Station Ordinance, 2020 sets out the dates, times and locations of advance polling and super polling stations, while the Elections (Presence of Candidates at Count) Rules, 2020 set out the rules around candidates attending the vote count.

The need to deal with certain matters by way of Ordinance or Regulation, rather than their being a permanent feature of the Law, can lead to “gaps” in the delivery of elections. For example, in respect of complaints regarding the conduct of elections, Article 38D of the Reform Law gives the States the power to make by Ordinance such provisions as they may see fit in respect of the making and determining complaints in relation to:

- The conduct of elections
- Breaches of procedures concerning elections
- The conduct, during elections, of candidates, returning officers and other persons or classes of persons prescribed by Rules under Article 38C of the Law and
- Breaches by such persons of their functions during elections

Any Ordinance made by the States under Article 38D may include, among other things, the person or body to whom complaints should be addressed; the persons or bodies who may make complaints; and the matters in respect of which complaints may be made.

Given the limitations on time in the lead up to the 2020 election to develop and implement a suitable solution regarding who/what would consider complaints, SACC agreed to maintain the status quo of previous elections rather than ask the States to approve an Ordinance to deal with it but that agreed that the matter would be revisited in the future.

In the absence of any legislation setting out rules around complaints, they tended to be received by the Registrar-General who, while able to give advice about many aspects of the election, had no power to arbitrate in complaints. In order to prevent this situation recurring, it is important that this is addressed. Ideally, such matters would be included in the Law rather than an Ordinance, as the latter approach means that it is possible for the matter to be left in abeyance. Inclusion of relevant provisions in the Law also provides greater certainty for all concerned.

In addition to the Reform Law, there are other relevant pieces of legislation and other guidance. For example, there is advice from the Law Officers of the Crown that dates back to 1973 regarding the display of posters and soliciting of votes inside polling stations but this is not reflected in any legislation, nor is there any consolidated guidance easily available to election officials, which is a particular concern because there has tended to be, in recent years, a lack of continuity of such officials.

Such lack of continuity is understandable because General Elections take place only once every four years and, during the period covered by a political term, officers often move on for a variety of reasons. There is also a reliance on temporary staff which will always be the case because of the intense period of activity preceding an election that cannot be absorbed by the existing workforce but more thought needs to be given to how greater continuity can be achieved between elections.

One possibility would be the creation of an Electoral Commission or similar, which would have the advantage of independence from government. Such a body could provide consistent, impartial advice as well as much-needed continuity. It also removes any potential issues around election officials having to give unwelcome advice to candidates with whom they may have a working relationship, if they are standing Deputies, or with whom they may need to work in the future if their election campaign is successful.

The CPA also commented on this in its Election Expert Mission Report, pointing out that *“the International Covenant on Civil and Political Rights, which applies to Guernsey, has been interpreted as requiring that an independent electoral authority should be established to supervise the electoral process.”*

Recommendation 1:

It is recommended that SACC should investigate the creation of an independent body to advise on and oversee future elections.

It would also assist greatly if consideration could be given to the creation of a new Law that focuses on elections and facilitates the delivery of an election in modern times. For example, as explained later in this report, the Reform Law does not give discretion to the Bailiff to carry out anything other than a full recount of votes in the event that a recount is requested. This does not reflect the use of ecount machines, which are proven to be highly accurate, which may mean that the Bailiff would be content to review only those ballot papers that have been manually adjudicated. This is the custom and practice in other jurisdictions and would reduce the resource requirement for a recount if it were the Bailiff’s preferred approach.

Recommendation 2:

It is recommended that SACC should review the Reform Law and other legislation relating to the holding of elections and, if it thinks fit, make suitable proposals for consideration by the States, for electoral reform by way of a standalone election Law that reflects modern election practices and is easily accessible.

The Electoral Roll

In April 2019, following consideration of a policy letter from the Committee *for* Home Affairs⁵, the States approved the establishment of a new Electoral Roll for the 2020 General Election of People's Deputies. This followed the practice established for the 2012 and 2016 General Elections. The new Electoral Roll opened on 1st December 2019.

Mindful of the need to ensure that a high number of those eligible to vote were registered on the Electoral Roll, considerable effort was put into publicising the fact that the Electoral Roll was open and encouraging eligible islanders to sign up. Initiatives and events included:

- The creation of a dedicated website for the election, including the facility to sign up to the Electoral Roll online
- Over 26,000 household registration forms delivered to all properties, including freepost return envelopes
- The launch of the #countmein campaign which saw some local faces backing the message that islanders needed to ensure they were able to cast their votes if they wanted to have a say in decisions
- Registration roadshows at a range of venues, where islanders could sign up to the Electoral Roll and obtain information about the election
- Frequent media releases, often supplemented with interviews
- Press and radio advertisements

Despite the fact that life in Guernsey returned to near normality in the run-up to the election, it was recognised that some sections of the community remained anxious about the possibility of contracting Covid and, in order to respect their desire to limit contact with others, the Election Project Board decided not to carry out any door-to-door enumerating as had been done in 2016, and planned visits to residential and care homes were cancelled.

Notwithstanding the fact that certain activities had to be curtailed, the number of people registered on the Electoral Roll was slightly higher than the 2016 total. The Roll closed on 21st August 2020, with 31,301 voters registered, of whom 30,899 were eligible to vote in the General Election, the remainder still being aged 15 on 7th October and not able to vote until their 16th birthdays.

Whilst this was an improvement on the 2016 numbers, only about 62% of those eligible to do so actually registered to vote, meaning that there were still potentially about 10,000 eligible residents who did not sign up. Although it is not possible to give an exact figure, as not everyone in the requisite age bracket will necessarily meet the residence criteria for signing up to the Electoral Roll, it shows that there is a significant number of islanders who are not exercising their democratic rights, despite every effort being made to ensure that signing up is as straightforward as possible. Therefore the first success criterion agreed by SACC and the

⁵ Billet d'Etat VII, 2019

Committee for Home Affairs, that a high percentage of those eligible to vote are registered on the Electoral Roll, was partially met, as the percentage is higher than in previous years but it is clear that there is room for improvement in this respect.

After the 2016 election it was noted that the process for compiling the Electoral Roll is difficult to administer and requires significant resource. Consequently a number of options were considered with the aim of making it easier for the community to sign up to the Electoral Roll as well as reducing the resources needed to administer the process. It was subsequently agreed by the States in April 2019⁶:

“5. To direct the Policy & Resources Committee when delivering Phase 2 of the Rolling Electronic Census Project (as approved by the States on 26th March 2013) to ensure that:

- i) there is included in its functionality, the capacity for automated generation of a list of persons eligible to vote; and*
- ii) any relevant legislation is submitted to the States for approval,*

in accordance with a time-scale which will enable use of the capacity for automated generation of such a list for the purposes of the 2024 general election and all elections thereafter.

6. To direct the Committee for Home Affairs to take such measures as may be necessary to enable elections to take place on the basis of an Electoral Roll compiled from an automatically generated list of persons eligible to vote, as soon as possible following delivery of Phase 2 of the Rolling Electronic Census Project in accordance with Proposition 5.”

Such an approach is in keeping with comments made by the Electoral Reform Society (ERS) in 2019: *“You shouldn’t have to opt in to your right to vote. we need to move towards automatic registration now, starting with being able to check you are registered online, and being able to register whenever you engage with government bodies or services. We know this works from other countries.”*

This work referred to in Resolution five above has been completed and the matter is now being progressed by the Committee for Home Affairs, as per Resolution six above.

⁶ Billet d’Etat VII, 2019

Candidates

There were 119 candidates in the first-ever island-wide General Election, which was a considerable increase on both 2012 (78) and 2016 (81). Therefore the second success criterion, namely that a good number of candidates stand for election, was fulfilled.

Candidate Support

In anticipation of a higher number of candidates, particularly new candidates, considerable efforts were made to ensure that candidates and potential candidates had access to information that would both help them to understand the election process as well as gain some insight into the role of a Deputy. Up to the point at which nominations closed, activities and material included:

- Officers and Deputies speaking at WEA talks for prospective candidates.
- Two presentations for prospective candidates, explaining key deadlines related to the election, both of which were well attended.
- A comprehensive pack from the Presiding Officer for candidates at the point of nomination.
- The preparation of Electoral Rolls for purchase.

Once the nomination period had closed, support for candidates continued, as follows:

- The creation of an Election website – election2020.gg – containing information for voters and candidates.
- The creation of a candidates' guide, which included comprehensive information about the Election, including links to relevant legislation, as well as a section setting out some of the demands of being a Deputy. This was made available prior to nominations opening, which meant that prospective candidates had access to a wealth of information in advance of putting themselves forward for election.
- A candidate page on election2020.gg.
- The opportunity of having two pages in the combined manifesto booklet, a printed copy of which was delivered to all households where residents had signed up for the Electoral Roll, with an electronic copy available on the website.
- The opportunity of creating a short video promoting their candidacy on the election website.
- A "meet the candidates" event at Beau Sejour, which gave the public an opportunity to speak to those candidates who participated, with the majority doing so.
- A £500 grant towards the production and distribution of campaign material.

Candidate Feedback

Of the 119 candidates, 48 provided feedback after the Election, either by responding to a short survey or direct to the Registrar-General of Electors. Just over half of those who responded were new Deputies who had not stood previously for election.

In terms of the support offered, the combined manifesto was rated as the most helpful element of the support provided, followed by the meet the candidates event.

Although respondents were generally satisfied with the support given, several constructive points were made about how it could be improved for the next General Election. Whilst, inevitably, candidates' opinions differed, there was broad agreement in a few areas.

Despite the fact that the "meet the candidates" event was considered useful, a number of candidates would have liked to have seen more hustings-type events. The difficulties inherent in organising such events for a field of 119 candidates were acknowledged but it was suggested that they could perhaps be organised by parish, open to the whole electorate but with only candidates resident in the parish in question attending.

The practicality of organising something by parish largely depends on the spread of candidates across the parishes. Based on the distribution of candidates in the 2020 election, this approach would be unlikely to work, as some parishes had very few candidates, whilst others had many, although possibly something based on the old electoral districts would be more feasible.

Some candidates found the number of hustings events organised by "special interest" groups, whilst useful, took up considerable time, both in terms of preparation and attendance. It would not be appropriate for the States to discourage such groups from holding events but more engagement with them ahead of the Election could result in a more co-ordinated approach and this is worthy of further investigation.

Recommendation 3:

It is recommended that consideration be given by SACC to how more hustings-type events can be organised by the States and/or the parishes, also having regard to how the requirements of "special interest" groups can be factored into such hustings.

It was suggested by a number of candidates and also members of the public that the "meet the candidates" event would have been of greater value if it had taken place after the distribution of the manifesto booklet, thereby giving time for the electorate to look at candidates' manifestos and formulate questions before attending. Manifestos were available online prior to the event, as well as candidate videos, but it appears that many people preferred to rely on the booklet as their prime means of finding out about candidates. This has already been acknowledged by the outgoing Election Project Board and will be passed on to the next Project Board as part of the "lessons learnt".

Voter Feedback

Feedback from voters was that they were in favour of island-wide voting but found the number of candidates, and therefore the amount of choice, overwhelming. The website and manifesto booklet were positively received but voters found it onerous to read the entire book, with some pointing out that only those with a keen interest in local politics would be likely to do so. The facility to select "yes", "no" and "maybe" via the election website was cited as being of great assistance and, as such, should be retained for future elections.

The number of candidates is something that was raised by several different groups providing feedback, which is unsurprising as it is relevant to so many different aspects of running an election, including the size of the ballot paper; organising hustings and other events; and the voter experience. Although the consensus is that election officials did a good job in addressing issues, particularly voter experience, there have been calls for limitations on the number of candidates.

Notwithstanding this, it would be contrary to the principles of democracy to seek to put barriers in the way of potential candidates. For example, it was suggested that candidates could be required to pay deposits, which would be returned only if they achieved a specified percentage of the vote. This is common in many jurisdictions around the world. In the UK, parliamentary candidates have to place a deposit of £500, which is returned if they poll over 5% of the total votes cast in the relevant constituency.

In the Republic of Ireland independent candidates for election to Dail Eireann must provide:

- A Certificate of Party Affiliation; or
- Statutory declarations signed by 30 constituents; or
- A deposit of €500

As in the UK, candidates who pay the deposit have the money refunded if they receive more than a specified percentage of votes cast in their constituency. At one time, all candidates had to pay a deposit until a High Court Ruling decreed that the obligatory payment of deposits by all candidates was “repugnant to the Constitution of Ireland”.

The UK Electoral Commission is not in favour of deposits for any candidate and its 2015 report *Standing for Election in the United Kingdom: Report and Recommendations*⁷ said the following about the use of deposits:

“... it does not seem reasonable to have a barrier to standing for election that depends on someone’s financial means. We do not think that the ability to pay a specified fee is a relevant or appropriate criterion for determining access to the ballot paper. We therefore recommend that deposit requirements are abolished.”

The purpose of requiring a deposit is to discourage any candidates who may not be serious about pursuing an election campaign but it has limited effect. In the 2017 UK General Election 1,568 candidates (47.5% of all candidates) lost their deposits and in the 2019 General Election the number who lost their deposits was 1,273.

In light of the comments above, plus the limited effectiveness of requiring deposits, it is not recommended that this approach be adopted in Guernsey, as it could make it more difficult for less affluent candidates to participate in an election and would therefore be likely to hinder achievement of the success criterion of ensuring a good number of people stand. It is also possible that some groups may be more disadvantaged than others by such an approach,

⁷ Available at: [Standing for election in the United Kingdom: Report and recommendations | Electoral Commission](#)

which could lead to a less diverse group of candidates and, ultimately, a less diverse Assembly.

It may, however, be worth exploring the possibility of requiring additional people to nominate candidates, along the lines of the UK, where nomination forms have to include the names of 10 registered electors from the constituency in question. A similar approach could help to ensure that candidates are serious about standing and would be more rigorous than the current system which requires only a proposer and seconder.

Whilst this may merit more consideration, any moves to ensure that candidates are truly serious about standing for election would need to be finely balanced with the requirement to ensure that barriers are not placed in the way of anyone seeking to become a Deputy, particularly if there is any possibility that such barriers might inadvertently disadvantage some groups more than others.

It is not yet known whether the high number of candidates will feature in future elections. The 2020 election was bound to attract a high level of interest in terms of candidates and voters, as it was the first ever island-wide general election. Whether interest remains as high in years to come remains to be seen and it may be that the issue does not recur.

Consequently, no firm recommendation for action is made in this respect, although it would be wise for SACC to keep a watching brief on this issue.

Postal Voting

In its December 2019 policy letter⁸ SACC recognised that island-wide voting would present new logistical challenges and acknowledged that it would have to address these:

“It is essential that there is sufficient capacity for all registered voters to vote either by post or in person. In light of this, the Committee has looked to offer an array of opportunities for members of the community to cast their vote.”

The Committee set targets for different elements of the suite of actions being undertaken, including a target of 30% of votes to be postal votes. In order to assist with the achievement of this target, the Election Team heavily promoted the option of postal voting.

Perhaps as a result of this promotion, the 2020 General Election saw a much bigger take-up of postal votes than in previous Elections, with 69% of those on the Electoral Roll opting to register for a postal vote. This meant that 21,271 postal votes were issued to addresses both within and outside of Guernsey. Completed ballot papers, accompanied by a Declaration of Identity, could be returned by post or placed into a ballot box at a polling station. The majority were returned by post. Approximately 75% of all votes cast were postal votes, meaning that the 30% target was exceeded by a considerable margin.

There were a number of reasons cited for the preference for postal voting. The fact that each voter was able to cast up to 38 votes was given by some as a reason for their choice, as they were able to consider their votes at their leisure in the comfort of their own homes. Covid-19 and uncertainty about the ability to attend a polling station was another relevant factor, as was the requirement for self-isolation for anyone returning to the island from elsewhere. This last factor was recognised by the States of Deliberation, which passed Regulations which meant that persons finding themselves having to self-isolate were able to register for a postal vote after the deadline for doing so had passed. The necessity of doing this was demonstrated by the fact that a handful of voters needed to rely on these Regulations.

In anticipation of a high number of voters opting for a postal vote, the preparation of postal vote packs was done by the provider of the ballot papers, UK company UK Engage (UKE), rather than, as had been the case in the past, manually by the Election Team. UKE also produced “spare” packs for use as replacement packs if necessary, or for issue after the print deadline had passed.

Postal voting has been embraced to such an extent by the electorate that it would be difficult to change the approach for the next election. It must be acknowledged, however, that potential risks have been identified in respect of postal voting, in so far as this method of voting could allow voters to be placed under undue pressure by others to vote in a certain way and also raises the possibility of “family voting”.

⁸ Billet d’Etat XXIV, 2019

The Venice Commission, in its Code of Good Practice in Electoral Matters⁹, offers the following guidance on postal voting:

“...postal voting should be allowed only where the postal service is safe and reliable; the right to vote using postal votes may be confined to people who are in hospital or imprisoned or to persons with reduced mobility or to electors residing abroad; fraud and intimidation must not be possible”.

Most of the postal votes issued went to Guernsey addresses and there are no concerns that the Guernsey postal service is anything other than safe and reliable. Whilst it would be extremely difficult to eliminate the possibility of fraud or intimidation in any voting system there is no reason to suspect it is sufficiently widespread in Guernsey to affect the result of an election. In the UK voters are given the opportunity to opt for a postal vote and it would be counterintuitive not to offer the same to voters locally, as the risks are almost certainly lower than in the UK, given the comparative scale of the two jurisdictions.

Whilst postal voting was embraced by the electorate and proved successful for most of those who opted for it, it must be acknowledged that some problems were encountered. The most significant was that logistical difficulties meant that, despite the best efforts of all involved, some overseas voters did not receive their voting packs in time to return their completed ballot papers.

There were a number of reasons for this, including the fact that contingency measures had to be developed alongside routine election preparation, thereby stretching the capacity of staff and suppliers. Whilst it is anticipated that the 2025 election will take place in less challenging circumstances, the Election Project Board has nevertheless made recommendations to its successor to ensure that postal votes are available and despatched, particularly to overseas voters, earlier.

Conversely, it is also important that postal vote packs are not sent to local addresses too early, as some candidates were frustrated to find that, during door-to-door canvassing, they were being told that postal votes had already been despatched.

Historically, the deadline for applying for postal votes has been five days prior to election day, which left only three working days to process applications received on the day of the deadline. SACC's December 2019 policy letter acknowledged that this had been problematic and, in light of the advance polling days, SACC took the opportunity to move the five day window to before the opening of polling, which therefore provided more time overall.

Consequently, the deadline for applications for postal voting was 25th September, which left seven working days before the General Election date. Notwithstanding the change, this

⁹ [https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD\(2002\)023rev2-cor-e](https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2002)023rev2-cor-e)

remained a fairly short window within which to process the applications and despatch voting packs. It meant that UKE could not produce voting packs for those who registered later in the process and the “spares” had to be used and processed manually. Whilst this was achievable, it did create pressure and the potential for errors. In the UK, the deadline for registering for a postal vote is 11 days prior to polling day and, with the benefit of experience, it is considered that it would be helpful to ensure that in future more time is allowed between the deadline for postal vote registration and polling day.

Recommendation 4:

It is recommended that SACC should consider moving the deadline for postal vote applications further from polling day.

Polling

Polling Days

A higher than usual voter turnout was anticipated as a result of moving to island-wide voting. With each voter able to cast up to 38 votes, meaning that completing a ballot paper would take longer than previously, it was necessary to take steps to ensure that voters did not have to stand in long queues awaiting their turn to enter a polling booth.

Consequently, pre-polling days were used for the first time and the concept of super polling stations was introduced. Super polling stations could be used by voters from any parish, as distinct from parish polling stations which were only available to residents of the parish in question.

Polling stations were open from 8am to 8pm on polling days as follows:

- Saturday 3 and Sunday 4 October: St Sampson's High School and The Princess Royal Performing Arts Centre (both super polling stations);
- Tuesday 6 and Wednesday 7 October (formal polling day): all parish polling stations (14 in total) and The Princess Royal Performing Arts Centre.

Staffing of Polling Stations

Prior to the 2020 General Election, the parishes voluntarily carried out a significant part of the running of general elections, including providing venues for voting (with associated costs being reimbursed by the States) and people to administer polling stations. Polling stations were established in each district by the Constables of the Parishes in question, in accordance with relevant Resolutions of the States.

In April 2019¹⁰ the States agreed that given the move to Island-wide voting; the intention to introduce advance polling stations; and the need for flexibility as to where polling stations were established, the Law should be amended to require the Registrar-General to establish polling stations, further to consultation with the Constables of the Parishes concerned.

The Reform Law therefore now provides that: *"Polling stations shall be established by the Registrar-General in accordance with any Resolution of the States for the time being in force in that behalf and the Registrar-General may provide for the establishment of such additional polling stations as he may deem convenient to the electorate."*

With the shift of responsibility to the Registrar-General, combined with the changes to the structure of the election – i.e. moving away from Parish- or district-based voting and with the addition of pre-polling days and the introduction of super polling stations – it was considered prudent to introduce training for all volunteers, from Polling Station Officers to those providing more general assistance to the electorate. Polling station volunteers were recruited

¹⁰ Billet d'Etat VII, 2019

both through the Douzaines and directly by the Election Office. Whilst this generally worked well, it did allow for potential inconsistency. Whilst it is recognised that some Parish volunteers are very experienced in election administration, the CPA, in its Election Expert Mission Report, commented on the fact that it was possible for volunteers to attend without receiving training and the report includes the following recommendation:

“The recruitment process for polling station staff should be open and publicly advertised, and increased training for polling station staff should be considered.”

Adverts did appear in local media, including social media, which means that the recruitment was “open and publicly advertised” but there was no requirement for training, although it was very much encouraged and most volunteers attended. While it is accepted that all concerned acted with good intentions, for the sake of good governance, plus consistency of voter experience, it is considered that the Election Mission’s recommendation should be pursued so that all helpers undergo the same recruitment and training experience.

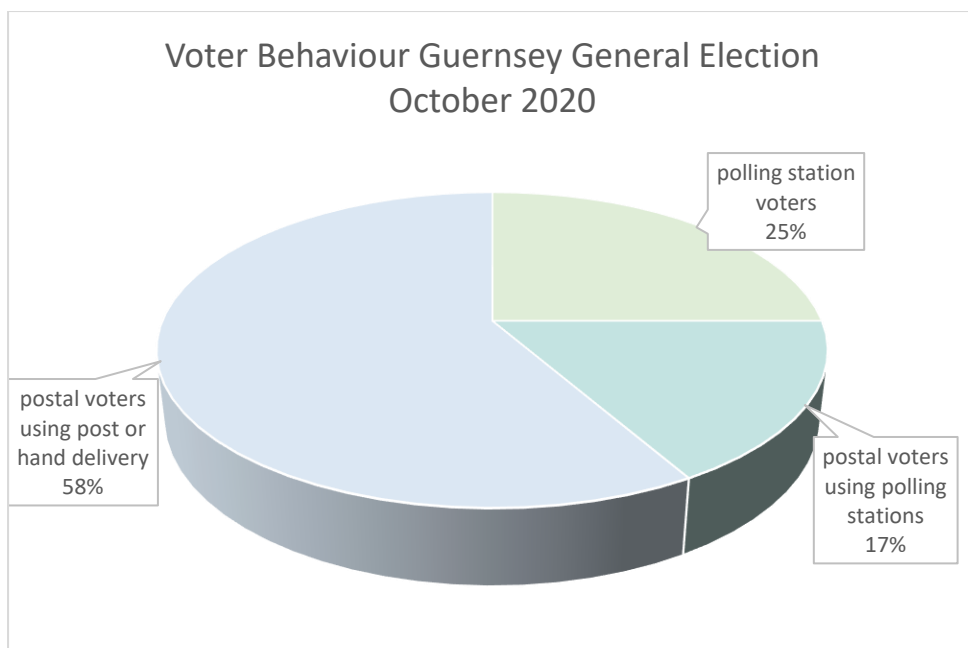
Every polling station had a designated Polling Station Officer (PSO) who was sworn in by the Royal Court. There was a great deal of responsibility placed on these officials and, while they had deputies, the responsibility was always carried by the PSO. These individuals worked long days with few breaks and should be commended for their dedication. However, for future elections, it is recommended that deputy PSOs should be formally sworn in and given sufficient authority to act in across the full range of duties in the absence of a PSO. This would mean that PSOs could take proper breaks and would also ensure greater resilience in the event that illness or unforeseen circumstances prevented a PSO from fulfilling his or her role.

Recommendation 5:

It is recommended that the Reform Law (or any successor) should in future include provision for Deputy Polling Station Officers to be formally sworn in and given the authority to act across the full range of duties in the absence of a Polling Station Officer.

Use of the Polling Stations

With 21,000 people opting for a postal vote it would be easy to overlook the importance of polling stations in the successful delivery of an Island-wide election. Approximately 18,000 postal ballots were returned, which represents 75% of all ballot papers received. However, as 4,000 of those postal voters chose to return their ballot papers via a polling station it meant that 40% of all voters visited a polling station as shown overleaf.



The number of users per polling is shown below:

Polling station	Number of users
St Andrew's Douzaine Room	293
St Sampson's Douzaine	596
Vale Douzaine Room	1232
St Martin's Parish Hall	887
Performing Arts Centre	2620
St Peter Port Constables' Office	956
Castel Douzaine Room	805
St Sampson's High School	451
St Saviour's Community Centre	414
St Sampson's Church Community Hall	320
St Pierre du Bois Community Hall	392
Castel KGV	302
Forest Douzaine Room	276
Torteval Church Hall	201

NB: The figures for the Performing Arts Centre are for four days' polling, whereas the others are for two days.

Parish Feedback

Notwithstanding the high proportion of voters who used the polling stations, it is evident from the above that some were considerably less busy than others. Feedback from the Parishes suggested that some Parish polling stations need not be open for two days and that one would suffice. The Castel Parish also felt that one polling station in the Castel Parish

would be adequate. If implemented, these measures would reduce the need for volunteers as well as bringing the cost down.

It was felt that the super polling stations had proved a great success, and it has been suggested that it would be helpful to locate one in the west/centre of the island as well as St Peter Port and St Sampson's. This idea certainly merits further consideration.

Recommendation 6:

It is recommended that SACC should consider consolidating the polling stations, with a view to reducing the number and/or opening hours of the Parish polling stations and increasing the number of super polling stations.

Vote Count

The vote count was overseen by the Central Returning Officer and, as such, sits outside the remit of the Registrar-General. However, issues that arose during the vote count will need to be addressed by SACC and/or the States and therefore need to be mentioned in this report.

In anticipation of a large number of votes being cast, SACC recommended¹¹, and the States agreed, that electronic counting equipment should be used for the 2020 election. Following a competitive tender process, a UK-based company, UKEngage (UKE), was selected to provide the necessary technology to count votes electronically. This included production of the ballot papers in order to ensure that they were of a suitable specification to be used with the technology.

In addition, as touched on previously, UKE oversaw the production of the postal ballot packs, as this would have been beyond the capacity of the small team if totally reliant on manual processing.

From the perspective of the Election Project Board, UKE provided a good service in difficult circumstances, particularly during the time leading up to the election, when representatives of the company were present on the island for the first time. This meant that they had to have daily Covid tests, isolate when not working, observe strict social distancing and hand hygiene practices and wear masks when with others. Despite these challenges, their communication with the team was of a high standard.

The vote counting machines were essentially high-powered scanners that captured images of the ballot papers and recorded a vote every time one of the ovals to the right of a candidate's name was shaded. If the mark was unclear or the voter intent was otherwise ambiguous then the ballot paper was automatically sent for adjudication; that is to say, it was examined by a small team of scrutineers, working in pairs, who made a decision as to how the ballot paper should be interpreted.

As each ballot paper listed 119 candidates they were very long, which meant that it was difficult to fit them into the envelope provided for the return of postal votes. This meant that frequently they were damaged when they were removed from the envelopes, which in turn caused problems with the scanners because the ballot papers could not pass through without difficulty and were being rejected.

Consequently, it was necessary to transcribe manually the information on such ballot papers onto fresh ballot papers. This task was undertaken by teams of civil servants working in pairs: one to read out what was on the ballot paper; one to mark the votes on a clean ballot paper. Once a ballot paper had been transcribed, the pair swapped papers and double-checked, with

¹¹ Billet d'Etat VII, 2019

the other reading out whilst his/her colleague checked that the ballot paper was marked correctly.

Whilst this activity was carefully monitored and there is no cause to suspect any fraudulent activity, it did, understandably, raise questions. It will be important to reduce the number of papers transcribed in future, whilst still maintaining the integrity of the election.

The count took place in the Sarnia Hall at Beau Sejour Leisure Centre. It commenced at 10am on the day after the election, 8th October 2020, and concluded at around 1am, with the results being announced by the Central Returning Officer at about 1.45 am. This was longer than original estimates, largely because of unforeseen difficulties with scanning the ballot papers, which are explained above. A further delaying factor was that postal ballots were not separated from other ballot papers at polling stations; they were all placed in the same ballot boxes. This meant that the outer envelopes and the Declarations of Identity could not be opened and checked until the count commenced, whereas this initial step could have been completed earlier had the postal ballots been kept separate. This point has also been picked up by the Parishes in their feedback, and should be addressed by the Election Team for the next election.

The length of time taken to complete the count featured in various stakeholder feedback, including candidate feedback. Some candidates felt that there was a sense of anti-climax when the results were issued, as few people were inclined to attend Beau Sejour at such a late hour. Others felt that the wait was too long and it would have been preferable to call a halt at some point during the evening and recommence the following morning. It has also been suggested that the count could have commenced earlier in order to bring forward the announcement of the results.

With the benefit of experience, there is every expectation that the count could be shortened in future, and it would also be worth the Central Returning Officer considering whether to commence much earlier – e.g. 8am or possibly earlier on the day after the polls close.

Central Returning Officer

Under the previous Parish-based election system, there was a Returning Officer for each district, making seven in total, each of whom had responsibility for ensuring an accurate vote count in his/her electoral district. With the move to island-wide voting, the task of overseeing the vote count fell to a Central Returning Officer who was sworn in by the Royal Court.

Whilst the appointee did an excellent job, the appointment of only one official not only placed a considerable burden on that one person but also created a single point of failure. Should he have become unavailable – for example through illness – on or close to the day of the count, it would have been extremely difficult, if not impossible, to find a suitable replacement able to take over at short notice.

There are certain parallels with the situation regarding Polling Station Officers and, as such, the recommendation is similar in so far as it is considered important that there should be provision in the Law to allow Deputy Central Returning Officers to be sworn in and given the authority to act across the full range of duties in the absence of the Central Returning Officer. Any Deputies appointed could not only step up in the absence of the Central Returning Officer but could also act in support of the individual concerned, which would help to ease the appointee's heavy workload.

Recommendation 7:

It is recommended that SACC should give consideration to amending the Reform Law (or any successor Law) to ensure that it is possible for Deputy Central Returning Officers to be sworn in and given the authority to act across the full range of the Central Returning Officer's duties in his/her absence.

Recount

Unsuccessful candidates had the right to ask for a recount in the event that the difference between the number of votes they received and the number of votes received by the candidate in 38th place was less than 2% of the total number of votes cast.

In the 2020 election, this was the case for six unsuccessful candidates, four of whom requested a recount. The candidate in 39th place received 126 fewer votes than the candidate who came 38th, and the candidate in 44th place, who polled 493 votes fewer than the 38th-placed candidate, was also able to seek a recount.

As pointed out by the CPA in its Election Expert Mission report:

“This is a generous margin which means the chances of a recount are high. ... Election authorities may wish to re-evaluate the basis on which recounts can be requested in future elections under the current island-wide system. It might be more practical if the margin of difference between the candidate placed 38th and those below him/her would relate to a percentage of the difference between these contestants in the number of votes cast, rather than a percentage of the total number of ballots issued.”

In light of the experience of the 2020 General Election, and given the above comments, it is recommended that SACC should consider the margin of votes required to trigger a recount.

Recommendation 8:

It is recommended that SACC should consider the margin of votes required to trigger a recount after a General Election and, if appropriate, make recommendations for amendments to the Reform Law (or any successor) to reduce the that margin.

Under the Reform Law, recounts are the responsibility of the Bailiff, who appointed a number of Jurats to oversee the administrative aspects of the recount.

UKE advised that it is usual in other jurisdictions where recounts are required, to examine only those ballot papers that had been manually adjudicated, as the ecount machines would not give a different answer, whereas different adjudicators might interpret voter intention differently.

This would be a logical approach but the Reform Law does not give such flexibility, as it was drafted with a manual count in mind and has not been updated to reflect the current reality of electronic vote counting. Consequently, there was no option but to run the entire count again, which is of course more costly and time-consuming than simply re-examining the adjudicated ballot papers.

Given that this was Guernsey’s first experience of using an e-count system, it nevertheless provided assurance when the recount did not result in any changes to those elected. It was

therefore a worthwhile exercise in the context of a new system but it is recommended that the Reform Law should be amended in order to allow the Bailiff to exercise more discretion over the exact parameters of any recount, given that electronic counting is set to become the norm.

Recommendation 9:

It is recommended that the Reform Law (or any successor) should, in future, provide for the possibility of an electronic recount and, accordingly, afford the Bailiff more discretion over the exact requirements for a recount.

Election Expenditure – Candidates and Parties

The Rules

Rules regarding the amount of expenditure permissible by candidates and political parties are governed by Article 44 of the Reform Law and the Electoral Expenditure Ordinance 2020, made under the Reform Law.

In summary, the Law and the Ordinance between them set out the permitted maximum levels of expenditure for candidates and political parties, and the transfer of permitted expenditure from candidates to parties; the value of assistance given in kind (“in money’s worth”); the need to maintain financial records; and the way in which spending before the Election period is counted towards a candidate’s or party’s permitted expenditure.

To understand the rules around expenditure it is necessary first to understand what is meant by the regulated period. This runs from the first day on which a nomination of a candidate may be delivered to the Presiding Officer (for the 2020 election 1st September, 2020) and ends on the date of the General Election.

Any money spent, and any materials used, during this period to promote a candidate’s election (or to promote a party and its policies) – regardless of when those materials were originally bought or created – must be recorded and counted towards a candidate’s (or party’s) permitted expenditure.

For the 2020 election candidates were permitted to spend up to £6,000 in money or money’s worth.

For the first time, political parties were able to form and endorse candidates for the General Election. Three political parties were registered during 2020: The Alliance Party Guernsey (registered 12th February 2020); The Guernsey Party (registered 5th August 2020); and The Guernsey Partnership of Independents (registered 18th August 2020).

Candidates who were supported or endorsed by political parties had the option of transferring up to £3,000 of their expenditure allowance to the relevant political party, to be used by the party to spend on the promotion of the party and its policies. The expenditure limit for political parties was £9,000.

The issue of campaign expenditure became contentious during the period preceding the election, with concerns being raised that political parties were being treated differently to individual candidates, and complaints that some candidates and parties might have been circumventing the rules by spending money on campaigning outside the regulated period.

With regard to candidates, the interpretation of the term “candidate” is that no-one can become a candidate until his or her nomination has been accepted. Consequently, expenditure prior to the regulated period on “one-off” items – e.g. newspaper or radio advertisements – would not contravene the rules because, although related expenditure

would have occurred outside the regulated period it would not constitute expenditure by a “candidate” and, as such, would not have to be declared in candidates’ returns.

Expenditure on items that were less discrete or short-term – for example posters displayed prior to and during the regulated period – would have to be declared because they would be being used during the regulated period, even if the expenditure had occurred in advance.

Notwithstanding the fact that it seems that candidates adhered to the letter of the Law, feedback from the community both before and after the election was that perhaps not everyone had abided by the spirit of the Law. Whether or not such claims are justified, there is little that can be done about them, providing the Law is observed.

A significant issue appears to be the point at which someone becomes an election candidate, as the expenditure rules apply only to candidates. This distinction is not well understood in the community, and it may be that it needs to be emphasised in communications.

In theory, a would-be candidate could incur considerable expenses on promoting his/her candidacy during the nomination period but not submit a nomination form until close to the deadline, meaning that one-off expenses incurred prior to the nomination date do not have to be declared. The only advantage in such an approach would be to enable expenditure in excess of the £6,000 limit. Few candidates came near the expenditure threshold and so this is unlikely to prove a motivation for many.

In the UK, the situation regarding expenditure during the regulated period is the same as in Guernsey but the determination of when someone is deemed to be a candidate, and therefore subject to expenditure rules, differs slightly.

Prior to a UK General Election, the UK Parliament is dissolved. The earliest date that anyone can officially become a candidate is the day of Parliament’s dissolution. Parliament is dissolved 25 working days before a General Election. In 2019, the General Election was held on 12th December and Parliament was therefore dissolved on 6 November.

The difference between the UK and Guernsey is that, in the former, if a person has already announced his/her intention to stand, formal nomination is not a pre-requisite for the expenditure rules to apply. A person will become a candidate on the date when Parliament is dissolved if they or others have already announced the intention to stand. If the intention to stand has not been announced by the day of the dissolution of Parliament, people will officially become candidates on the earlier of:

- the date the intention to stand is announced, which may be by the candidate or a third party; or
- the date when the candidate is nominated. This must be prior to the close of nominations.

In Guernsey there is no formal dissolution of Parliament, although the States of Deliberation do not meet during the period preceding an election. Because Guernsey's parliament and government are one and the same, the dissolution of the States would also mean the dissolution of government. Committee business can, and often does, continue throughout the election period and indeed beyond, until the elected Deputies are formally sworn in.

It is difficult to devise and enforce rules in this respect, particularly as prospective candidates can promote themselves via social media at no cost. In practical terms it would be impossible to prevent all pre-election expenditure if a prospective candidate decides to declare his/her intentions very early. However, given that this issue caused much comment from the community, it is suggested that consideration be given to ensuring that formal nomination is not a pre-requisite for the rules to apply, once nominations have opened. This would need to be reinforced with careful communications about the rules, as a lack of understanding contributed to some of the queries received.

It has to be recognised that the nature of political party spending is inherently different from that of an individual election candidate. Political parties endure beyond elections in a way that individual candidates do not. Political parties may incur ongoing expenses associated, for example, with premises from which they are operating, as well as one-off events, potentially linked to promoting the party and its policies but not necessarily directly linked to an election.

Guidance issued by the UK Electoral Commission for the 2019 General Election¹² explains that *"campaign spending is what your party spends on activities to promote the party or criticise other parties during a particular period in the run-up to the election"*, which is a helpful way to distinguish such expenditure from other party expenditure.

One of the issues in respect of party spending in 2020 was that there was little time (ranging between eight months and seven weeks) between the formal establishment of the parties and the election. In such circumstances it is perhaps understandable that there was a perception among some members of the community that parties were disregarding the rules in respect of spending, as it was difficult to separate the everyday expenditure of a political party, particularly one in its infancy, and therefore incurring costs associated with the start-up and promotion of any party, from campaign spending.

This situation is unlikely to recur, as legislation enabling the establishment and recognition of political parties is now in place, well before the next election, whereas there was a much smaller window of opportunity in respect of the 2020 election.

In the 2020 election, the Guernsey Partnership of Independents saw 11 candidates elected (although one has since opted to leave the party), and the Guernsey Party six. No Alliance Party candidates were elected and the party has been dissolved. It is not yet known how Guernsey's political system will mature in respect of political parties. Given that 2020 saw the

¹² [UK Parliamentary General Election 2019: Political Parties \(GB & NI\)](#)

first island-wide General Election which also happened to be the first election featuring political parties, it is perhaps not surprising that a degree of confusion existed around some of the rules pertaining to party expenditure.

Consequently, it is considered that more consideration needs to be given to how the rules are clarified and communicated to parties, candidates and the community but there is no overriding reason to revise the rules at this time.

Candidate Expenditure

As stated above, election candidates were permitted to spend up to £6,000 in money or money's worth. They were able to claim a grant of up to £500 in respect of receipted expenditure for the production and distribution of campaign material, as part of the overall expenditure limit.

There have been many calls for individuals' election expenses to be published but the Law does not expressly permit publication and candidates were not asked to consent to these details being made public, although they are at liberty to publish their own expenditure should they wish. The same is true of political parties' election expenditure, although they are required to file annual accounts.

In light of the understandable desire for transparency, it is recommended that the Law be amended to ensure that the ability to publish individuals' expenditure is captured.

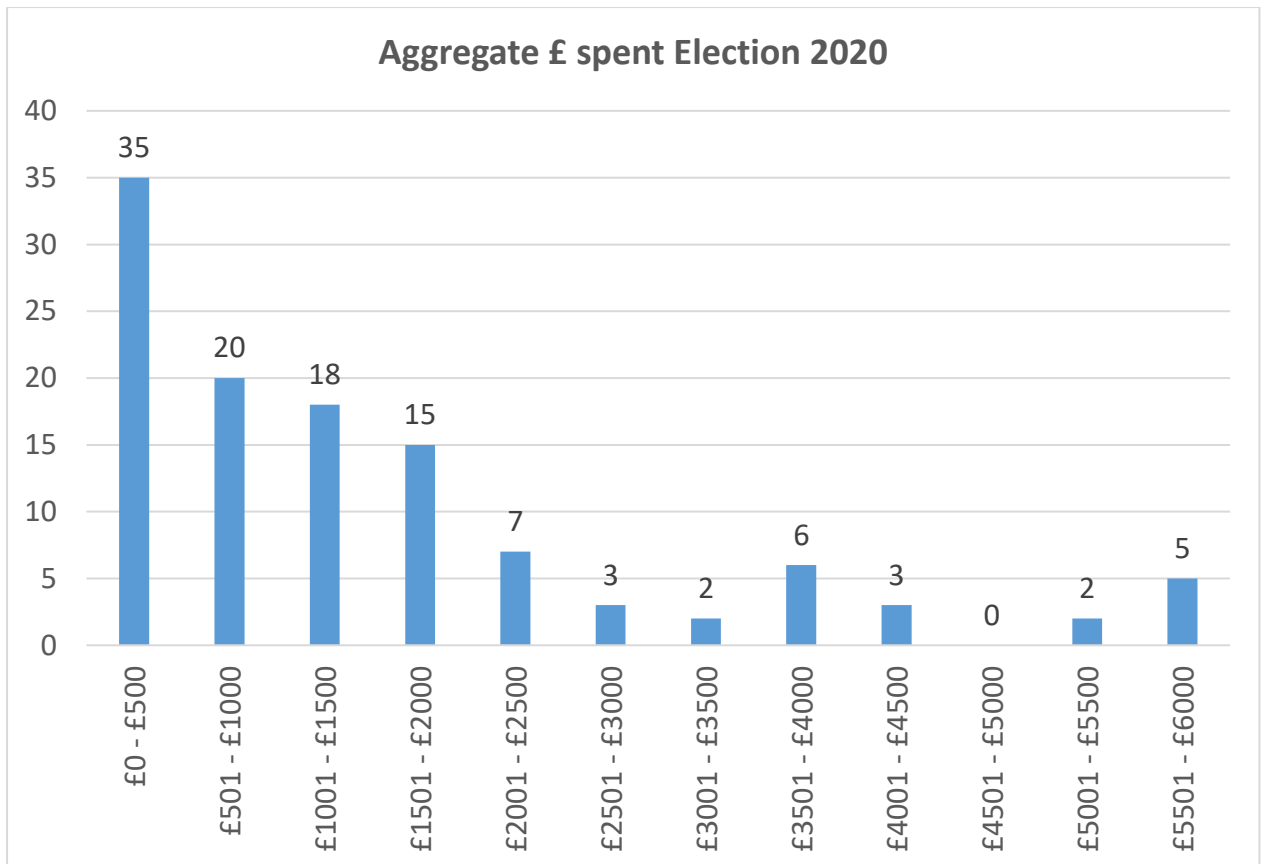
Recommendation 10:

It is recommended that the Reform Law (or any successor) should make explicit the fact that parties' and candidates' individual expenditure returns may be published.

Notwithstanding the fact that individual expenses cannot be published without consent, it has been possible to compile some aggregated data that gives an overview of expenditure.

Aggregated candidate expenditure is shown in the graph below¹³:

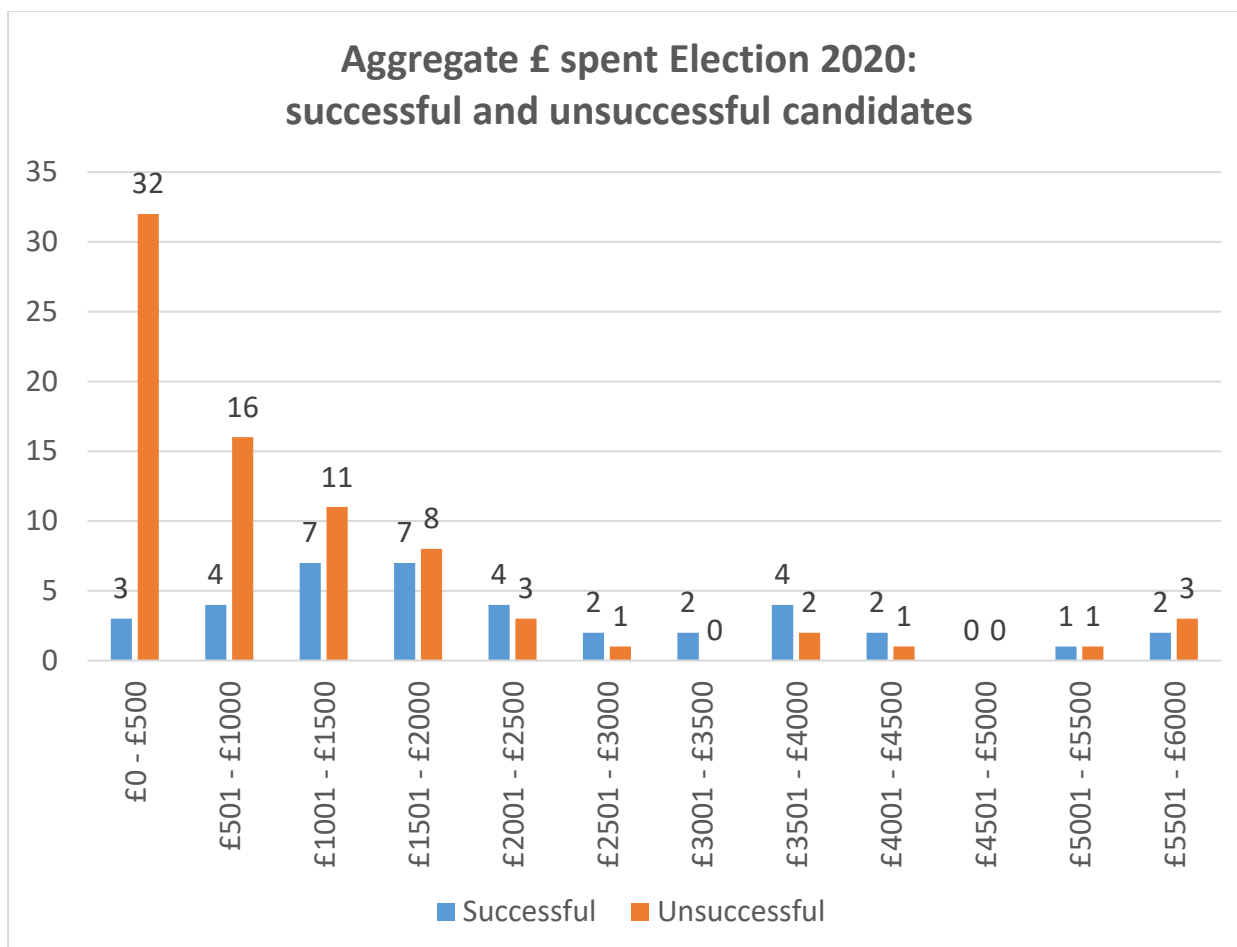
¹³ The data relates to 116 candidates, as three (all of whom were unsuccessful) did not submit any returns.



As can be seen, the majority of candidates (98 in total) spent no more than 50% of the £6,000 limit, with most spending significantly less.

There has been speculation over whether it might have been possible to “buy” election success, particularly as the expenditure limit was higher than in past elections. The graph below, which breaks down aggregated expenditure between successful and unsuccessful candidates, shows that greater spending did not necessarily mean success in the election, with three out of five of the highest spenders failing to be voted into political office. Of the successful candidates, 27 spent less than 50% of the permitted expenditure limit. Spending for successful candidates ranged from £285 to £5,859, demonstrating that election success was possible with minimal expenditure.

Despite this, on average, successful candidates spent more than those who were unsuccessful. The average spend by those who were elected was £2,242, whilst for those who were not it was £1,178. Three candidates did not incur any expenditure, none of whom was elected.



The ten successful candidates with the lowest expenditure spent between £265 and £1,034. Of these, five had been Deputies in the 2016-2020 term, whilst five had not.

It is difficult to draw any conclusions based on expenditure alone because the data relates only to those activities and items that had to be declared on an expenses return. It does not take into account the fact that many candidates also went door knocking and/or used free social media or other free activities to promote themselves, nor can it account for existing public profiles. It does show, however, that it was not necessary to spend anything close to the £6,000 expenditure limit to secure election success.

The position regarding publication of party expenditure is the same as for individuals. Aggregate expenditure across all three parties was just under £19,000, with no party exceeding the £9,000 limit. Two parties, the Guernsey Partnership of Independents and the Guernsey Party, have confirmed publicly their election expenditure as £6,500 and £6,200 respectively.

Election Costs

It was difficult to plan the budget for the first island-wide election because, understandably, there were many unknown factors, particularly in the early stages, and it also became necessary to factor in contingency planning occasioned by Covid.

The table below shows expenditure against budget for both the election and the creation of a new Electoral Roll.

Area	Expenditure Category (Per	Budget	Expenditure	Variance
Election	Staffing of Polling Stations and Vote Count	91,000	14,226	76,774
Election	Postal voting	35,000	59,951	(14,951)
Election	Postage (general)	10,000		
Election	Candidate manifesto booklet	82,000	134,505	(42,505)
Election	Printing	10,000		
Election	Contingency	25,000	3,543	21,457
Election	Advertising	24,000	189,894	7,107
Election	IT - hardware / website	38,000		
Election	E-Count Solution	110,000		
Election	Contingency	25,000		
Election	Election Observation Mission	50,000	16,611	33,389
Election	Grants for candidates	50,000	50,454	(454)
Election	Administration - meetings etc.	50,000	43,022	6,978
Election	TOTAL	600,000	512,205	87,795
Electoral Roll	Staffing	260,000	249,476	10,524
Electoral Roll	Staffing (uplift in respect of pay awards)	5,593	0	5,593
Electoral Roll	Printing	11,000	16,997	(5,997)
Electoral Roll	Postage (general)	33,500	22,258	11,242
Electoral Roll	IT - hardware / website	25,000	44,201	(19,201)
Electoral Roll	Administration / Stationery	8,500	(728)	9,228
Electoral Roll	Advertising	42,000	32,622	9,378
Electoral Roll	TOTAL	385,593	364,826	20,767
COMBINED	TOTAL	985,593	877,031	108,562

As can be seen from the table, the cost of running the election was just over £512k, whilst the cost of creating a new Electoral Roll was a little less than £365k, giving a combined total of £877k.

There were a number of factors that influenced the total expenditure. First, the high number of candidates (119) meant that the combined manifesto document was larger than anticipated, which meant that the printing and postage costs increased. The budget for candidate grants was based on 100 candidates claiming the full £500 but, as expected, not all candidates claimed the full amount and therefore the overspend in this area was marginal.

Owing to uncertainty regarding the possible re-emergence of Covid in the community, the decision was made to put a contingency in place should the island have to revert to a previous phase of lockdown over the election period. This contingency plan required a postal voting

ballot paper to be created for all persons on the electoral roll, regardless of whether they were signed up for a postal vote. The cost for this was c. £20k. Fortunately this contingency was not triggered, and thanks to careful budget management, the cost was covered from general contingency and underspends within other areas.

The uptake for postal votes was considerably higher than had originally been anticipated, which may have been influenced by both the number of candidates, meaning that voters preferred to vote in the comfort of their own homes, and also, potentially, concerns about Covid. This area exceeded the budget by c£15k. Feedback from voters has shown that postal voting was very popular and the high uptake is likely to endure, which should be noted for budget planning for future elections.

Owing to the restrictions on travel at the time of the election, it was decided that an in-person election observation mission would not be possible. A remote expert mission was undertaken instead. This meant a significant reduction in the actual cost because of savings on travel, accommodation, staffing costs, etc. The final cost of the election observation mission was £16.6k against a budget of £50k. There is no need to have an election observation mission at every General Election and this is therefore a cost that need not feature in the budget for the next election and, in all likelihood, the one after that too.

The experience gained during the 2020 General Election will help to inform budget decisions in respect of the 2025 election, meaning that a more accurate budget should be achieved.

Conclusion

The 2020 General Election was unique. It was the first General Election to be run on the basis of island-wide voting; it was the first to feature political parties; and it was organised in the middle of a global pandemic.

All of these circumstances threw up issues for those planning and running the election but, notwithstanding the challenges, it can be concluded that the success criteria agreed by SACC and the Committee *for* Home Affairs, were largely met. To recap, those criteria were:

- i. A high percentage of those eligible to vote are registered on the Electoral Roll;
- ii. A good number of candidates stand for election;
- iii. The majority of those on the Electoral Roll cast their votes; and
- iv. There is a fair, efficient and democratic election.

As set out in the report, more needs to be done in order to increase the percentage of the electorate who are registered on the Electoral Roll but that work is in train and it is hoped that it will have been concluded in time for the 2025 election.

The other criteria are considered to have been met; again the reasons for this conclusion are set out in the report.

Regardless of the success of any undertaking, lessons can always be learnt and improvements made, which is what the recommendations in the report (and attached as an appendix for ease of reference) are designed to achieve.

Finally, I should like to thank all those who contributed to the delivery of the election and also those who kindly gave up their time to provide feedback afterwards. It is much appreciated.

Colette Falla
Registrar-General of Electors

31st March 2021

Appendix: Recommendations

1. It is recommended that SACC should investigate the creation of an independent body to advise on and oversee future elections. (See p.6)
2. It is recommended that SACC should review the Reform Law and other legislation relating to the holding of elections and, if it thinks fit, make suitable proposals for consideration by the States, for electoral reform by way of a standalone election Law that reflects modern election practices and is easily accessible. (See p.6)
3. It is recommended that consideration be given by SACC to how more hustings-type events can be organised by the States and/or the parishes, also having regard to how the requirements of “special interest” groups can be factored into such hustings. (See p.11)
4. It is recommended that SACC should consider moving the deadline for postal vote applications further from polling day. (See p.16)
5. It is recommended that the Reform Law (or any successor) should in future include provision for Deputy Polling Station Officers to be formally sworn in and given the authority to act across the full range of duties in the absence of a Polling Station Officer. (See p.18)
6. It is recommended that SACC should consider consolidating the polling stations, with a view to reducing the number and/or opening hours of the Parish polling stations and increasing the number of super polling stations. (See p.20)
7. It is recommended that SACC should give consideration to amending the Reform Law (or any successor Law) to ensure that it is possible for Deputy Central Returning Officers to be sworn in and given the authority to act across the full range of the Central Returning Officer’s duties in his/her absence. (See p.23)
8. It is recommended that SACC should consider the margin of votes required to trigger a recount after a General Election and, if appropriate, make recommendations for amendments to the Reform Law (or any successor) to reduce the that margin. (See p.24)
9. It is recommended that the Reform Law (or any successor) should, in future, provide for the possibility of an electronic recount and, accordingly, afford the Bailiff more discretion over the exact requirements for a recount. (See p.25)
10. It is recommended that the Reform Law (or any successor) should make explicit the fact that parties’ and candidates’ individual expenditure returns may be published. (See p.29)



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5th May 2021

Dear Deputy Meerveld

CPA BIMR Election Expert Mission Report – Guernsey General Election 2020

I refer to your letter of 22nd April 2021 requesting an update in respect of the development of an automated electoral roll. The Committee *for* Home Affairs (the Committee) is pleased to note that the relevant legislation necessary to support the delivery of an automated generation of a list of persons eligible to vote is now in place.

The Committee supports the progression of this Extant Resolution and recognises the efficiencies that an automated electoral roll are likely to deliver. However, it will be essential for this work to be prioritised and resourced in the Government Work Plan in July if a digital solution and the necessary amendments to the Reform Law are to be progressed and in place in advance for the 2025 General Election.

The Committee looks forward to working with the States' Assembly and Constitution Committee and the Policy & Resources Committee to progress arrangements for the 2025 General Election including establishing an automated electoral roll. As part of these further discussions the Committee considers that there would be merit in reviewing the 'blue book' in terms of which Committee might appropriately have mandated responsibility for the electoral roll moving forward.

Yours sincerely

Deputy Rob Prow
President
Committee *for* Home Affairs



Committee *for*
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Deputy C P Meerveld
President
States Assembly & Constitution
Committee
Royal Court House
St Peter Port

Our Ref:
Your Ref:
Date: 5 May 2021

Dear Deputy Meerveld

CPA BIMR Election Expert Mission Final Report - Guernsey General Election - October 2020

Thank you for your letter, dated 22 April 2021, inviting the Committee *for* Employment & Social Security ('the Committee') to submit a letter responding to recommendations 10 and 11 in the report from the CPA BIMR Election Expert Mission:

- Recommendation 10 – Extension of Articles 4 and 7 of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) to Guernsey should be pursued without delay.
- Recommendation 11 – Extension of Articles 21 and 29 of the Convention on the Rights of Persons with Disabilities (CRPD) should be pursued without delay.

Firstly, it is important to stress that international human rights treaties, such as CEDAW and CRPD, are extremely wide-ranging covering all areas of life, therefore, a whole government approach is required to progressively realise the requirements of these Conventions over time. That said, the Committee recognises that it has a lead role to play in advising the States of Deliberation on matters relating to equality and inclusion and in working towards the introduction of the key legislative provisions that need to be in force before H.M. Government will consider extending its signatory of either convention to Guernsey.

CRPD

I am advised that comprehensive legislation prohibiting discrimination on multiple grounds, including disability, must be in force before H.M Government will consider extending its ratification of CRPD to Guernsey.

In July 2020, following consideration of a Policy Letter entitled '[Proposals for a New Discrimination Ordinance](#)' ('the July 2020 Policy Letter'), the States agreed unanimously to the preparation of an Ordinance to outlaw discrimination on the grounds of disability, carer status and race. The States also approved an [Amendment](#) to the Committee's proposals, laid by Deputy Parkinson and seconded by former Deputy Tooley, which added religious belief and sexual orientation into the first phase of the development of the Ordinance. The States directed the Committee to develop policy proposals for phase 2 of

the development of this Ordinance, for consideration in 2023 and implementation in 2024. Phase 2 will include proposals to introduce protection from discrimination on the grounds of age and the transfer into the new Ordinance of the grounds of protection covered under the existing Sex Discrimination (Employment) (Guernsey) Ordinance, 2005 (i.e. sex (including pregnancy and maternity), gender reassignment and marriage), with any necessary adaptations.

The Committee is currently working on the implementation of phase 1 of the new Discrimination Ordinance, for entry into force in late 2022.

CEDAW

H.M. Government has previously advised the States of Guernsey that the following requirements must be met before consideration will be given to extending the UK's ratification of CEDAW to Guernsey:

1. Introduction of statutory maternity leave with pay or equivalent benefits

Statutory maternity leave was introduced with effect from 1 April 2016 and maternity benefit was replaced with a suite of parental benefits, paid at higher rates, with effect from 1 January 2017. I believe this requirement is now met.

2. Introduction of comprehensive legislation prohibiting discrimination on the grounds of sex

Sex discrimination in employment is unlawful under the Sex Discrimination (Employment) (Guernsey) Ordinance, 2005. However, sex discrimination in the provision of goods and services, education, accommodation and membership of clubs or associations is not unlawful in Guernsey at the present time.

As noted above, the Committee has been directed to develop policy proposals for phase 2 of the new multi-ground discrimination Ordinance, for consideration in 2023 and implementation in 2024. Phase 2 will include proposals to introduce protection from discrimination on the grounds of age and modernisation of the Sex Discrimination Ordinance, which will include plugging existing gaps where sex discrimination is currently lawful.

3. Introduction of a legal right for women to equal pay for work of equal value

In relation to this matter, the July 2020 Policy Letter said:

“The Committee envisages that phase 3* will include a proposal to introduce the right to equal pay for work of equal value in respect of sex in accordance with Guernsey's obligations under the International Covenant on Economic, Social and Cultural Rights and in order to support the extension of the Convention on the Elimination of All Forms of Discrimination Against Women.”

[Please note that the three-phase approach proposed by the Committee was condensed into two phases through a successful Amendment proposed by Deputy Parkinson and seconded by former Deputy Tooley, therefore, this will feature in the phase 2 Policy Letter referred to above.]*

The CPA BIMR Election Expert Mission has recommended that extension of the UK's ratification of Articles 4 and 7 of CEDAW and Articles 21 and 29 of CRPD (the text of these Articles is provided in Appendix 1) should be pursued without delay. While the Committee supports the extension of these Conventions to Guernsey at the earliest opportunity, I understand that it is not possible to select only specific Articles for extension. I am advised that Guernsey would need to seek extension of the UK's ratification of any Convention as a whole, with the possibility of declarations or reservations being applied in line with those that apply to the United Kingdom, and perhaps some that are specific to Guernsey, subject to negotiation with the UK and where the Conventions allow. Therefore, even if Guernsey meets the requirements of the priority Articles identified by the CPA BIMR Election Expert Mission, it would not be possible to seek to extend these Articles to Guernsey until we meet the pre-requisites set out above, which may or may not be relevant to those specific Articles.

Of course, the fact that the UK's ratification of these Conventions has not yet been extended to Guernsey is no barrier to the States of Guernsey working towards the implementation of the measures outlined in Articles 4 and 7 of CEDAW and Articles 21 and 29 of CRPD. Any actions taken in this regard will, in future, assist the States of Guernsey to demonstrate to H.M Government an adequate level of compliance with the requirements of the Convention when an official approach is made.

Given the critical importance of the new Discrimination Ordinance in moving towards extension of CEDAW and CRPD to Guernsey, the Committee looks forward to receiving your wholehearted support, and that of your Committee members, in the implementation of phase 1 of that Ordinance and the development and approval of policy proposals for phase 2.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Roffey', with a stylized flourish at the end.

Deputy Peter Roffey
President

APPENDIX 1

CONVENTION ON THE ELIMINATION OF ALL FORMS OF DISCRIMINATION AGAINST WOMEN

Article 4 – Special Measures

“1. Adoption by States Parties of temporary special measures aimed at accelerating de facto equality between men and women shall not be considered discrimination as defined in the present Convention, but shall in no way entail as a consequence the maintenance of unequal or separate standards; these measures shall be discontinued when the objectives of equality of opportunity and treatment have been achieved.

2. Adoption by States Parties of special measures, including those measures contained in the present Convention, aimed at protecting maternity shall not be considered discriminatory.”

Article 7 – Political and Public Life

“States Parties shall take all appropriate measures to eliminate discrimination against women in the political and public life of the country and, in particular, shall ensure to women, on equal terms with men, the right:

- (a) To vote in all elections and public referenda and to be eligible for election to all publicly elected bodies;
- (b) To participate in the formulation of government policy and the implementation thereof and to hold public office and perform all public functions at all levels of government;
- (c) To participate in non-governmental organizations and associations concerned with the public and political life of the country.”

CONVENTION ON THE RIGHTS OF PERSONS WITH DISABILITIES

“Article 21 – Freedom of expression and opinion, and access to information

States Parties shall take all appropriate measures to ensure that persons with disabilities can exercise the right to freedom of expression and opinion, including the freedom to seek, receive and impart information and ideas on an equal basis with others and through all forms of communication of their choice, as defined in article 2 of the present Convention, including by:

- (a) Providing information intended for the general public to persons with disabilities in accessible formats and technologies appropriate to different kinds of disabilities in a timely manner and without additional cost;
- (b) Accepting and facilitating the use of sign languages, Braille, augmentative and alternative communication, and all other accessible means, modes and formats of communication of their choice by persons with disabilities in official interactions;

- (c) Urging private entities that provide services to the general public, including through the Internet, to provide information and services in accessible and usable formats for persons with disabilities;
- (d) Encouraging the mass media, including providers of information through the Internet, to make their services accessible to persons with disabilities;
- (e) Recognizing and promoting the use of sign languages.”

“Article 29 – Participation in political and public life

States Parties shall guarantee to persons with disabilities political rights and the opportunity to enjoy them on an equal basis with others, and shall undertake to:

- (a) Ensure that persons with disabilities can effectively and fully participate in political and public life on an equal basis with others, directly or through freely chosen representatives, including the right and opportunity for persons with disabilities to vote and be elected, inter alia, by:
 - (i) Ensuring that voting procedures, facilities and materials are appropriate, accessible and easy to understand and use;
 - (ii) Protecting the right of persons with disabilities to vote by secret ballot in elections and public referendums without intimidation, and to stand for elections, to effectively hold office and perform all public functions at all levels of government, facilitating the use of assistive and new technologies where appropriate;
 - (iii) Guaranteeing the free expression of the will of persons with disabilities as electors and to this end, where necessary, at their request, allowing assistance in voting by a person of their own choice;
- (b) Promote actively an environment in which persons with disabilities can effectively and fully participate in the conduct of public affairs, without discrimination and on an equal basis with others, and encourage their participation in public affairs, including:
 - (i) Participation in non-governmental organizations and associations concerned with the public and political life of the country, and in the activities and administration of political parties;
 - (ii) Forming and joining organizations of persons with disabilities to represent persons with disabilities at international, national, regional and local levels.”

STATUTORY INSTRUMENTS LAID BEFORE THE STATES

The States of Deliberation have the power to annul the Statutory Instruments detailed below.

No. 25 of 2021

THE COPYRIGHT (PRESCRIBED LIBRARIES, ARCHIVES, MUSEUMS AND GALLERIES AND COPYING OF COPYRIGHT MATERIAL) (BAILIWICK OF GUERNSEY) REGULATIONS, 2021

In pursuance of section 221 of the Copyright (Bailiwick of Guernsey) Ordinance, 2005, “The Copyright (Prescribed Libraries, Archives, Museums and Galleries and Copying of Copyright Materials) (Bailiwick of Guernsey) Regulations, 2021” made by the Committee *for* Economic Development on 23rd March 2021, are laid before the States.

EXPLANATORY NOTE

These Regulations prescribe libraries and archives for the purpose of sections 50-57 of the Copyright (Bailiwick of Guernsey) Ordinance, 2005 (“the Ordinance”), and museums and galleries for the purpose of section 56 of the Ordinance. The Regulations follow on from amendments being made to the Ordinance by the Copyright (Bailiwick of Guernsey) (Amendment) Ordinance, 2021.

Sections 50-57 of the Ordinance set out arrangements relating to copying which only apply to the libraries, archives, museums and galleries that have been prescribed. Section 56 allows for the making of replacement works for not for profit libraries, museums, galleries and archives.

These Regulations also prescribe certain conditions with which the prescribed libraries, archives, museums and galleries must comply in order to avoid infringing the provisions of the Ordinance.

These regulations repeal and restate the provisions that previously applied in respect of libraries and archives in the Copyright (Prescribed Libraries and Archives and Copying of Copyright Material) Regulations, 2011.

These Regulations came into force on 26th March 2021.

No. 30 of 2021

**EMERGENCY POWERS (CORONAVIRUS) (VACCINE) (LIMITATION OF LIABILITY) (NO. 4)
(BAILIWICK OF GUERNSEY) REGULATIONS, 2021**

In pursuance of section 16(1) of the Civil Contingencies (Bailiwick of Guernsey) Law, 2012, the “Emergency Powers (Coronavirus) (Vaccine) (Limitation of Liability) (No. 4) (Bailiwick of Guernsey) Regulations, 2021” made by the Civil Contingencies Authority on 1st April, 2021, are laid before the States.

EXPLANATORY NOTE

These Regulations are emergency regulations made by the Civil Contingencies Authority under Part 3 of the Civil Contingencies (Bailiwick of Guernsey) Law, 2012 ("the Law"). They are made on the occurrence of an emergency, within the meaning of the Law, in the Bailiwick, arising from the urgent need to prevent, control or mitigate the spread of the virus Severe Acute Respiratory Syndrome Coronavirus 2 and the disease caused thereby, COVID-19 (referred to together in these regulations as coronavirus). They are prefaced with a statement by the Civil Contingencies Authority, as required by section 12(2) of the Law. COVID-19 was made a notifiable disease for the purposes of the Public Health Ordinance, 1936 on 10th February 2020.

These Regulations apply where a vaccine against the coronavirus has been temporarily authorised under the UK's Human Medicines Regulations, 2012 and designated under regulations made under the Prescription Only Medicines (Human) (Bailiwick of Guernsey) Ordinance, 2009, and the vaccine is sold, supplied or administered in accordance with a Patient Group Direction or protocol approved or consented to by the States of Guernsey Committee for Health & Social Care. They only apply to a vaccine administered on or after the 15th December, 2020 (the date on which the Emergency Powers (Coronavirus) (Vaccine) (Limitation of Liability) (Bailiwick of Guernsey) Regulations, 2020 came into force) and before the vaccine receives either a UK marketing authorisation or a European Medicines Agency marketing authorisation for administration in the circumstances concerned.

Where these Regulations apply they will limit the aggregate amount of damages and costs that may be awarded by any court in respect of death or personal injury suffered by any one person receiving the vaccine administered in accordance with the Patient Group Direction or protocol.

These Regulations revoke (and replace) the Emergency Powers (Coronavirus) (Vaccine) (Limitation of Liability) (No. 3) (Bailiwick of Guernsey) Regulations, 2021.

These Regulations are laid in accordance with section 16(1) of the Law, but cannot now be annulled because they have been revoked.

No. 31 of 2021

**EMERGENCY POWERS (CORONAVIRUS) (GENERAL PROVISION) (BAILIWICK OF GUERNSEY)
(NO. 4) REGULATIONS, 2021**

In pursuance of section 16(1) of the Civil Contingencies (Bailiwick of Guernsey) Law, 2012, the “Emergency Powers (Coronavirus) (General Provision) (Bailiwick of Guernsey) (No. 4) Regulations, 2021” made by the Civil Contingencies Authority on 1st April, 2021, are laid before the States.

EXPLANATORY NOTE

These Regulations are emergency regulations made by the Civil Contingencies Authority under Part 3 of the Civil Contingencies (Bailiwick of Guernsey) Law, 2012 ("**the Law**"). They are made on the occurrence of an emergency, within the meaning of the Law, in the Bailiwick, arising from the urgent need to prevent, control or mitigate the spread of the virus Severe Acute Respiratory Syndrome Coronavirus 2 and the disease caused thereby, COVID-19 (referred to together in these regulations as coronavirus). They are prefaced with a statement by the Civil Contingencies Authority, as required by section 12(2) of the Law. COVID-19 was made a notifiable disease for the purposes of the Public Health Ordinance, 1936 on 10th February 2020.

The Regulations revoke and re-enact (with modifications) regulations previously made by the Civil Contingencies Authority in respect of the coronavirus pandemic.

These Regulations came into force on the 2nd April, 2021 and shall have temporary effect only in accordance with the provisions of section 16 (duration and scrutiny of emergency regulations) of the Law.

Part I - screening, assessment and powers to detain etc.

This Part places a requirement to self-isolate on persons arriving in the Bailiwick, enables the Medical Officer of Health to place restrictions and requirements on other persons who are or who may be infected with coronavirus, and makes provision in respect of related matters, including powers for the Medical Officer of Health to impose screening requirements, to detain people and to require people to self-isolate. The provisions also create criminal offences and confer powers of enforcement on police officers, and provide for applications to vary or revoke requirements or restrictions imposed under this part to be made to the Royal Court.

Regulation 4 gives effect to Schedule 1, which makes provision in respect of Critical Workers. A person who has been granted a Critical Worker Exemption will have to self-isolate in accordance with, and otherwise comply with, the provisions of Schedule 1.

Finally, this Part also provides that a person of 12 years or over who chooses not to take both a day of arrival test for COVID-19 and a test on day 13 after arrival will have to self-isolate for 21 days; otherwise, a person who does undergo those tests is required to self-isolate until receipt of a negative result for the day 13 test. A child under 12 has to self-isolate for 14 days after arrival.

Part II – miscellaneous and final

Schedule 2 to these Regulations, which is given effect by regulation 18, sets out the modifications to be made to mental health legislation having effect in the Bailiwick. Paragraph 4 of Schedule 2 modifies the Mental Health (Bailiwick of Guernsey) Law, 2010 to permit an approved medical practitioner (rather than only a second opinion approved doctor) to provide a certificate for the purposes of section 56 where the practitioner is of the opinion that is not reasonably practicable or would involve unreasonable delay to comply with the unmodified requirement of that section. Paragraphs 5 and 6 modify the Mental Health Review Tribunal Procedure Rules, 2012 to provide that the Mental Health Review Tribunal may properly be constituted according to specified criteria.

Regulation 19 provides for the deemed variance of certain Employment Permits, including Long Term Employment Permits, Medium Term Employment Permits and Short Term Employment Permits, to allow the holder to be resident without being employed and to be employed by a different employer from that specified in the Permit; the deemed variance of an Open Market Employment Permit to allow the holder to be accommodated at a property or dwelling other than that specified on the Permit, or a property inscribed in Part B or Part C of the Open Market Housing Register; and for the modification of the Population Management (Guernsey) Law, 2016 and other legislation to the extent necessary to give effect to this.

These Regulations are laid in accordance with section 16(1) of the Law, but cannot now be annulled because they have been revoked.

No. 40 of 2021

**EMERGENCY POWERS (CORONAVIRUS) (GENERAL PROVISION) (BAILIWICK OF GUERNSEY)
(NO. 4) (AMENDMENT) REGULATIONS, 2021**

In pursuance of section 16(1) of the Civil Contingencies (Bailiwick of Guernsey) Law, 2012, the “Emergency Powers (Coronavirus) (General Provision) (Bailiwick of Guernsey) (No. 4) (Amendment) Regulations, 2021” made by the Civil Contingencies Authority on 22nd April, 2021, are laid before the States.

EXPLANATORY NOTE

These Regulations are emergency regulations made by the Civil Contingencies Authority under Part 3 of the Civil Contingencies (Bailiwick of Guernsey) Law, 2012 ("the Law"). They are made on the occurrence of an emergency, within the meaning of the Law, in the Bailiwick, arising from the urgent need to prevent, control or mitigate the spread of the virus Severe Acute Respiratory Syndrome Coronavirus 2 and the disease caused thereby, COVID-19 (referred to together in these regulations as coronavirus). They are prefaced with a statement by the Civil Contingencies Authority, as required by section 12(2) of the Law. COVID-19 was made a notifiable disease for the purposes of the Public Health Ordinance, 1936 on 10th February 2020.

The Regulations amend the Emergency Powers (Coronavirus) (General Provision) (Bailiwick of Guernsey) (No. 4) Regulations, 2021 ("the (No. 4) Regulations"). The primary purpose of the amendments made is to re-introduce Category 3 countries, enabling arrivals into the Bailiwick from which to self-isolate for a shorter period, subject to conditions. The amendments also re-introduce the power of the Authority to amend that requirement in respect of categories of case; this will enable the re-introduction of "business tunnels". Finally they make clear that references in the (No. 4) Regulations to a test for COVID-19 are to such a type of test as the Medical Officer of Health may specify from time to time.

These Regulations are laid in accordance with section 16(1) of the Law, but cannot now be annulled because they have been revoked.

No. 43 of 2021

**EMERGENCY POWERS (CORONAVIRUS) (VACCINE) (LIMITATION OF LIABILITY) (NO. 5)
(BAILIWICK OF GUERNSEY) REGULATIONS, 2020**

In pursuance of section 16(1) of the Civil Contingencies (Bailiwick of Guernsey) Law, 2012, the "Emergency Powers (Coronavirus) (Vaccine) (Limitation of Liability) (No. 5) (Bailiwick of Guernsey) Regulations, 2021" made by the Civil Contingencies Authority on 29th April, 2021, are laid before the States.

EXPLANATORY NOTE

These Regulations are emergency regulations made by the Civil Contingencies Authority under Part 3 of the Civil Contingencies (Bailiwick of Guernsey) Law, 2012 ("the Law"). They are made on the occurrence of an emergency, within the meaning of the Law, in the Bailiwick, arising from the urgent need to prevent, control or mitigate the spread of the virus Severe Acute Respiratory Syndrome Coronavirus 2 and the disease caused thereby, COVID-19 (referred to together in these regulations as coronavirus). They are prefaced with a statement by the Civil Contingencies Authority, as required by section 12(2) of the Law. COVID-19 was made a notifiable disease for the purposes of the Public Health Ordinance, 1936 on 10th February 2020.

These Regulations apply where a vaccine against the coronavirus has been temporarily authorised under the UK's Human Medicines Regulations, 2012 and designated under regulations made under the Prescription Only Medicines (Human) (Bailiwick of Guernsey) Ordinance, 2009, and the vaccine is sold, supplied or administered in accordance with a Patient Group Direction or protocol approved or consented to by the States of Guernsey Committee for Health & Social Care. They only apply to a vaccine administered on or after the 15th December, 2020 (the date on which the Emergency Powers (Coronavirus) (Vaccine) (Limitation of Liability) (Bailiwick of Guernsey) Regulations, 2020 came into force) and before the vaccine receives either a UK marketing authorisation or a European Medicines Agency marketing authorisation for administration in the circumstances concerned.

Where these Regulations apply they will limit the aggregate amount of damages and costs that may be awarded by any court in respect of death or personal injury suffered by any one

person receiving the vaccine administered in accordance with the Patient Group Direction or protocol.

These Regulations revoke (and replace) the Emergency Powers (Coronavirus) (Vaccine) (Limitation of Liability) (No. 4) (Bailiwick of Guernsey) Regulations, 2021.

These Regulations are laid in accordance with section 16(1) of the Law, but cannot now be annulled because they have been revoked.

No. 44 of 2021

**EMERGENCY POWERS (CORONAVIRUS) (GENERAL PROVISION) (BAILIWICK OF GUERNSEY)
(NO. 5) REGULATIONS, 2021**

In pursuance of section 16(1) of the Civil Contingencies (Bailiwick of Guernsey) Law, 2012, the “Emergency Powers (Coronavirus) (General Provision) (Bailiwick of Guernsey) (No. 5) Regulations, 2021” made by the Civil Contingencies Authority on 29th April, 2021, are laid before the States.

EXPLANATORY NOTE

These Regulations are emergency regulations made by the Civil Contingencies Authority under Part 3 of the Civil Contingencies (Bailiwick of Guernsey) Law, 2012 ("**the Law**"). They are made on the occurrence of an emergency, within the meaning of the Law, in the Bailiwick, arising from the urgent need to prevent, control or mitigate the spread of the virus Severe Acute Respiratory Syndrome Coronavirus 2 and the disease caused thereby, COVID-19 (referred to together in these regulations as coronavirus). They are prefaced with a statement by the Civil Contingencies Authority, as required by section 12(2) of the Law. COVID-19 was made a notifiable disease for the purposes of the Public Health Ordinance, 1936 on 10th February 2020.

The Regulations revoke and re-enact (with modifications) regulations previously made by the Civil Contingencies Authority in respect of the coronavirus pandemic.

These Regulations came into force on the 30th April, 2021 and shall have temporary effect only in accordance with the provisions of section 16 (duration and scrutiny of emergency regulations) of the Law.

Part I - screening, assessment and powers to detain etc.

This Part places a requirement to self-isolate on persons arriving in the Bailiwick, enables the Medical Officer of Health to place restrictions and requirements on other persons who are or who may be infected with coronavirus, and makes provision in respect of related matters, including powers for the Medical Officer of Health to impose screening requirements, to detain people and to require people to self-isolate. The provisions also create criminal offences and confer powers of enforcement on police officers, and provide for applications to vary or revoke requirements or restrictions imposed under this part to be made to the Royal Court.

Regulation 4 gives effect to Schedule 1, which makes provision in respect of Critical Workers. A person who has been granted a Critical Worker Exemption will have to self-isolate in accordance with, and otherwise comply with, the provisions of Schedule 1.

Schedule 2 to these regulations, which is given effect by regulation 5, provides for shorter periods of self-isolation to be undertaken by persons who arrive from a place specified as a Category 2 country or a Category 3 country on the States of Guernsey website, and who elect to comply with the restrictions and requirements set out therein.

Finally, this Part also provides that a person of 12 years or over who chooses not to take both a day of arrival test for COVID-19 and a test on day 13 after arrival will have to self-isolate for 21 days; otherwise, a person who does undergo those tests is required to self-isolate until receipt of a negative result for the day 13 test. A child under 12 has to self-isolate for 14 days after arrival.

Part II – miscellaneous and final

Schedule 3 to these Regulations, which is given effect by regulation 18, sets out the modifications to be made to mental health legislation having effect in the Bailiwick. Paragraphs 4 and 5 modify the Mental Health Review Tribunal Procedure Rules, 2012 to provide that the Mental Health Review Tribunal may properly be constituted according to specified criteria.

Regulation 19 provides for the deemed variance of Long Term Employment Permits, Medium Term Employment Permits and Short Term Employment Permits, to allow the holder to be resident without being employed and to be employed by a different employer from that specified in the Permit; and for the modification of the Population Management (Guernsey) Law, 2016 and other legislation to the extent necessary to give effect to this.

These Regulations are laid in accordance with section 16(1) of the Law, but cannot now be annulled because they have been revoked.

No. 48 of 2021

EMERGENCY POWERS (CORONAVIRUS) (GENERAL PROVISION) (BAILIWICK OF GUERNSEY) (NO. 5) (AMENDMENT) REGULATIONS, 2021

In pursuance of section 16(1) of the Civil Contingencies (Bailiwick of Guernsey) Law, 2012, the “Emergency Powers (Coronavirus) (General Provision) (Bailiwick of Guernsey) (No. 5) (Amendment) Regulations, 2021” made by the Civil Contingencies Authority on 7th May, 2021, are laid before the States.

EXPLANATORY NOTE

These Regulations are emergency regulations made by the Civil Contingencies Authority under Part 3 of the Civil Contingencies (Bailiwick of Guernsey) Law, 2012 ("the Law"). They

are made on the occurrence of an emergency, within the meaning of the Law, in the Bailiwick, arising from the urgent need to prevent, control or mitigate the spread of the virus Severe Acute Respiratory Syndrome Coronavirus 2 and the disease caused thereby, COVID-19 (referred to together in these regulations as coronavirus). They are prefaced with a statement by the Civil Contingencies Authority, as required by section 12(2) of the Law. COVID-19 was made a notifiable disease for the purposes of the Public Health Ordinance, 1936 on 10th February 2020.

The Regulations amend the Emergency Powers (Coronavirus) (General Provision) (Bailiwick of Guernsey) (No. 5) Regulations, 2021 to make clear that when the Medical Officer of Health, or the Authority, exercise their powers under those regulations to vary the requirement to self-isolate on arrival in the Bailiwick, they may consult such persons as they think fit.

These Regulations are laid in accordance with section 16(1) of the Law, but cannot now be annulled because they have been revoked.

No. 51 of 2021

THE PRISON (GUERNSEY) (AMENDMENT) REGULATIONS, 2021

In pursuance of sections 49 and 51 of the Prison (Guernsey) Ordinance, 2013, The Prison (Guernsey) (Amendment) Regulations, 2021, made by the Committee *for* Home Affairs on 10th May, is laid before the States.

EXPLANATORY NOTE

These Regulations amend the Prison (Guernsey) Regulations, 2013 ("**the principal Regulations**") to clarify the restrictions currently set out in regulation 82 of the principal Regulations.

Regulation 2 of these Regulations substitutes regulation 82 of the principal Regulations with new regulations 82, 82A and 82B.

The new regulation 82 of the principal Regulations prohibits prisoners from possessing or keeping certain prohibited things such as controlled drugs or medicinal products, unless authorised in writing by a member of the healthcare team.

The new regulation 82A of the principal Regulations authorises the Governor to issue written directions to prevent prisoners from possessing or keeping anything specified in those directions. This power includes the power to prohibit a prisoner from keeping anything in a cell if the Governor believes it is incompatible with the size of the cell. A prisoner must not possess or keep anything prohibited under these directions.

The new regulation 82B of the principal Regulations authorises prisoners to possess or keep anything approved by Prison Orders, subject to any prohibitions under new regulation 82 or 82A.

Regulation 3 of these Regulations makes a consequential amendment to regulation 83(3) of the principal Regulations.

These Regulations will come into force on the 14th May, 2021.

No. 54 of 2021

THE TOBACCO ADVERTISING AND RELATED ACTIVITIES (GUERNSEY) REGULATIONS, 2021

In pursuance of section 3(1)(a) of the Tobacco Advertising (Guernsey) Law, 1997 and section 26 of the Tobacco Products (Guernsey) Ordinance, 2014 and all other powers enabling it in that behalf "The Tobacco Advertising and Related Activities (Guernsey) Regulations, 2021" made by the Committee for Health & Social Care on 18th May 2021, are laid before the States.

EXPLANATORY MEMORANDUM

These Regulations provide for standardised plain packaging of tobacco products and the use of combined health warnings on tobacco packaging. These Regulations are made under the Tobacco Products (Guernsey) Ordinance, 2014 and the Tobacco Advertising (Guernsey) Law, 1997.

Regulation 1 prohibits the 'sale' of tobacco products in breach of any requirement of Schedule 1 or 2 to these Regulations. "Sale" includes supply, or exposure or possession for supply, in the course of a business, and would include indirect sale (e.g. sale over the internet). Breach of this prohibition is an offence.

Regulation 2 gives effect to the requirements of Schedule 3 to these Regulations as requirements for warnings to be exhibited on the packaging of tobacco products under section 3 of the Tobacco Advertising (Guernsey) Law, 1997. Breach of these requirements is an offence under that Law.

Regulation 3 sets out the penalties for the offences created by regulation 1, including penalties for continuing offences.

Regulation 4 defines "producer" for the purposes of requirements in the Schedules. Regulation 5 defines expressions used in these Regulations.

Regulation 6 revokes the Tobacco Advertising (Guernsey) Regulations, 2010 and the Tobacco Advertising (Guernsey) (Amendment) Regulations, 2010.

Regulation 7 makes transitional and savings provisions in respect of the sale, or offer or exposure for sale, of any tobacco product in a packet printed before the commencement of these Regulations with a view to complying with the Tobacco Advertising (Guernsey) Regulations, 2010 (as amended). A 'sell-through' period of one year is allowed for cigarettes and hand-rolling tobacco, and two years for other tobacco products.

Regulations 8 and 9 are the citation and commencement provisions respectively.

Schedule 1 sets out requirements relating to the standardised packaging of tobacco products. Paragraph 1 of Schedule 1 sets out the permitted colour and shade of packaging of cigarettes and hand rolling tobacco. Schedule 4 contain exceptions, which relate to text stating the brand name and variant name, the number of cigarettes of weight of tobacco, details about the producer, (in the case of hand rolling tobacco) text about cigarette papers and filters, bar codes and calibration marks.

Paragraph 2 of Schedule 1 makes provision for the material, shape, opening and contents of an individual packet of cigarettes.

Paragraph 3 of Schedule 1 makes provision for the appearance of cigarettes.

Paragraph 4 of Schedule 1 contains provisions relating to the form of an individual packet of hand rolling tobacco and the weight of the tobacco in it.

Paragraph 5 of Schedule 1 provides that a tobacco product and labelling must not contain certain features or elements that would encourage the use or purchase of the tobacco product, for example by making it resemble a food or cosmetic product, suggesting it is less harmful than another tobacco product or that it has health or environmental benefits, or suggesting an economic advantage by including discounts.

Paragraph 6 of Schedule 1 provides that packaging of cigarettes and hand rolling tobacco must not make a noise or contain or produce a smell that is not ordinarily associated with packaging for cigarettes or hand rolling tobacco.

Paragraph 7 of Schedule 1 provides that the packaging must not include any features that are designed to change the packaging after sale, such as ink that appears over time or in fluorescent light, removable tabs and slide out panels.

Schedule 2 sets out further requirements relating to the packaging of tobacco products, including requirements relating to the surface of the packet, inserts and linings and wrappers. Schedule 3 requires tobacco products to carry warnings, including combined health warnings. Paragraph 1 of Schedule 3 provides for a combined health warning to be used on the front and back of packaging for tobacco products other than large cigars and individually wrapped cigars and cigarillos. The combined health warning consists of a text warning listed in Schedule 5 with the corresponding colour photograph (lodged at the Greffe on behalf of the President of the Committee for Health & Social Care) and represented by the image below the text warning in Schedule 5. The text "Get help to stop smoking at gov.je/help2quit or gov.gg/quittingsmoking." is also required. This paragraph sets out technical specifications about the layout of those warnings.

Paragraph 2 of Schedule 3 requires that each of the photographs used in the combined health warnings are carried on between 1/12 and 1/24 of the total number of packs under each brand name over any 12 month period.

Paragraph 3 of Schedule 3 provides for general warnings and information messages that are required on the other surfaces of the packaging.

Paragraph 4 of Schedule 3 provides for the labelling of large cigars and individually wrapped cigars and cigarillos. The labelling must include specified health warnings and a text warning listed in Schedule 6. There are technical specifications for the labelling and layout of these warnings.

Paragraph 5 of Schedule 3 makes provision for the warnings that must appear on packets of smokeless tobacco products.

Paragraph 6 of Schedule 3 sets out additional requirements that apply to health warnings, such as visibility, use of English and that they are irremovably printed.

Schedule 4 sets out exceptions to the requirements in Schedule 1 concerning the colour and shade of packaging of cigarettes and hand rolling tobacco.

Schedule 5 sets out the text warnings and representative images for the combined health warnings required under Schedule 3. These combined health warnings are derived from Australian legislation, and replace the combined health warnings previously derived from EU legislation and set out in the Tobacco Advertising (Guernsey) Regulations, 2010 (as amended). Schedule 6 lists the text warnings required for packets of cigars and cigarillos under Schedule 3.

These Regulations come into force on the 31st July, 2021.

The full text of the legislation can be found at: <http://www.guernseylegalresources.gg>

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

PROJET DE LOI

Entitled

THE ABORTION (GUERNSEY) (AMENDMENT) LAW, 2021

The States are asked to decide:-

Whether they are of the opinion to approve the draft Projet de Loi entitled "The Abortion (Guernsey) (Amendment) Law, 2021", and to authorise the Bailiff to present a most humble petition to Her Majesty praying for Her Royal Sanction thereto.

This proposition has been submitted to Her 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.

EXPLANATORY MEMORANDUM

This Law amends the Abortion (Guernsey) Law, 1997 ("the principal Law").

Section 2 of this Law amends section 1 of the principal Law to abolish the offence of a woman procuring her own miscarriage.

Section 3 of this Law amends section 2 of the principal Law to ensure that the offence of supplying or procuring any thing intending it to be unlawfully used to procure a miscarriage only applies where it involves the intended miscarriage of another person (not the person who supplied or procured the thing).

Section 4 of this Law amends section 3 of the principal Law to extend the categories of persons who might lawfully terminate a pregnancy to registered nurses and midwives ("authorised persons") in addition to registered medical practitioners. It also replaces the requirement for certification by two medical practitioners with certification by a single medical practitioner. It removes the requirement that the pregnancy must not exceed its twenty fourth week, in order for termination on grounds that there is a substantial risk of significant physical or mental impairment that would be seriously debilitating to the child (the terminology relating to 'handicapped' has been updated). It also extends from 12 to 24 weeks the pregnancy period within which termination can be carried out on grounds of risk of injury to the physical or mental health of the pregnant woman or existing children of her family. Finally, it removes the requirement for medical abortions to take place only at Princess Elizabeth Hospital.

Section 5 of this Law amends section 4 of the principal Law to reflect the amendments allowing authorised persons to carry out terminations, and to require notice of terminations to be given to the Director of Public Health (instead of the Medical Officer of Health).

Section 6 of this Law amends section 5 of the principal Law to restrict and regulate the right to conscientious objection in relation to participating in treatment resulting in termination. It provides that this right does not override any duty to participate in treatment necessary to prevent serious injury to the physical or mental health of the pregnant woman (in addition to any duty to save the life of the woman concerned). It also requires the person exercising the right to make any necessary arrangements to allow someone else without a conscientious objection to participate in the treatment or, in appropriate cases, inform the woman concerned that she has a right to see another person who is authorised to participate in the treatment and has no conscientious objection. Finally, it authorises the Committee for Health & Social Care to make regulations to further restrict or impose conditions on the right to conscientious objection.

Section 7 of this Law amends section 6 of the principal Law to reflect the abolition of the offence of self-procuring a miscarriage.

Section 8 of this Law inserts the definition of "authorised persons" in section 8 of the principal Law.

This Law will come into force on a date to be specified by regulations made by the Committee for Health & Social Care.

PROJET DE LOI

ENTITLED

The Abortion (Guernsey) (Amendment) Law, 2021

THE STATES, in pursuance of their Resolution of the 24th June, 2020^a, have approved the following provisions which, subject to the Sanction of Her Most Excellent Majesty in Council, shall have force of law in the Islands of Guernsey, Herm and Jethou.

Amendments to the 1997 Law.

1. The Abortion (Guernsey) Law, 1997^b ("**the principal Law**") is amended as follows.

2. In section 1 of the principal Law –

(a) repeal paragraph (a), and

(b) in paragraph (b), immediately after "of any", insert "other person, being a".

^a Article V of Billet d'État No. XIII of 2020.

^b Ordres en Conseil Vol. XXXVII, p. 72; amended by Ordinance No. XXXIII of 2003 and No. IX of 2016.

3. In section 2 of the principal Law, immediately after "of any", insert "other person, being a".

4. In section 3 of the principal Law –

(a) in subsection (1) –

(i) For the words beginning with "Subject to" and ending with "practitioners are", substitute "An authorised person shall not be guilty of an offence under section 1 or 2 where the authorised person terminates a pregnancy in any case where a recognised medical practitioner is",

(ii) for paragraph (c), substitute the following paragraph –

"(c) that, at the time of the diagnosis, there is a substantial risk that if the child were born it would suffer from a significant physical or mental impairment that would have a seriously debilitating effect on the child, or", and

(iii) in paragraph (d), for "twelfth", substitute "twenty-fourth",

(b) for subsections (2) and (3), substitute the following subsection–

"(2) For the purposes of subsection (1)(d), whether or not a pregnancy has exceeded its twenty-fourth week is to be determined and calculated in accordance with any guidance published by the Committee in any manner it considers appropriate for this purpose."

5. In section 4 of the principal Law –

(a) in subsection (1), for "A recognised medical practitioner", substitute "An authorised person",

(b) in subsection (2) –

(i) in paragraph (a), for "practitioners", substitute "practitioner",

(ii) in paragraph (c), for "recognised medical practitioner", substitute "authorised person",
and

(c) in subsection (3), for "Medical Officer of Health", substitute "Director of Public Health".

6. In section 5 of the principal Law –

(a) in subsection (1) –

(i) for "the provisions of subsection (3)" substitute "subsections (3) and (3A) and any regulations made under subsection (5)",

(ii) immediately after "treatment", insert "of a woman",

(b) in subsection (3), for "to save the life of a pregnant woman.", substitute –

" –

(a) to save the life of the woman concerned, or

(b) to prevent serious injury to the physical or mental health of the woman concerned.",

(c) immediately after subsection (3), insert the following subsection –

"(3A) Subsection (1) does not apply unless the person who has a conscientious objection, without delay –

(a) in any case where the woman concerned has requested the person to participate in the treatment –

(i) informs that woman that she has a right to see another person who is lawfully authorised to participate in the treatment and does not have a conscientious objection, and

(ii) ensures that that woman has sufficient information to enable her to exercise

the right mentioned in subparagraph
(i), and

(b) in any other case, makes any arrangements necessary to allow another person, who is lawfully authorised to participate in the treatment and does not have a conscientious objection, to participate in the treatment in place of the person who has a conscientious objection.", and

(d) immediately after subsection (4), insert the following subsections –

"(5) The Committee may by regulations –

(a) designate or limit the persons who may exercise the right to conscientious objection specified in subsection (1),

(b) impose any condition or requirement for the exercise of that right, and

(c) otherwise limit or restrict the exercise of the right in any manner that it thinks fit.

(6) In this section, for the avoidance of doubt, a reference to participation in any treatment includes a reference to provision of the treatment.".

7. In section 6 of the Principal Law –

- (a) immediately after "anything done", insert "by a person",
and
- (b) for "a woman", substitute "another person, being a
woman,".

8. In section 8 of the principal Law, insert the following definition immediately before the definition of "the Committee" –

""authorised person" means –

- (a) a recognised medical practitioner, or
- (b) a person who is registered as a nurse or midwife in the
register maintained by the Committee under section 3 of
the Registered Health Professionals Ordinance, 2006,".

Extent.

9. This Law shall extend to the Islands of Guernsey, Herm and Jethou.

Citation.

10. This Law may be cited as the Abortion (Guernsey) (Amendment) Law, 2021.

Commencement.

11. This Law shall come into force on a date to be specified by regulations made by the Committee for Health & Social Care; and regulations may provide for different provisions of the Law to come into force on different dates.

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

PROJET DE LOI

Entitled

THE PUBLIC THOROUGHFARES (GUERNSEY) (AMENDMENT) LAW, 2021

The States are asked to decide:-

Whether they are of the opinion to approve the draft Projet de Loi entitled "The Public Thoroughfares (Guernsey) (Amendment) Law, 2021", and to authorise the Bailiff to present a most humble petition to Her Majesty praying for Her Royal Sanction thereto.

This proposition has been submitted to Her 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.

EXPLANATORY MEMORANDUM

This Law amends the Public Thoroughfares (Guernsey) Law, 1958 to put Guernsey Electricity Limited on the same statutory footing as telecommunication businesses and the Guernsey Gas Light Company Limited to enable Guernsey Electricity Limited to carry out various works in any public highway, subject to certain conditions.

PROJET DE LOI

ENTITLED

The Public Thoroughfares (Guernsey) (Amendment) Law, 2021

THE STATES, in pursuance of their Resolution of the 29th May, 2015^a, have approved the following provisions which, subject to the Sanction of Her Most Excellent Majesty in Council, shall have force of law in the Island of Guernsey.

Amendment of the 1958 Law.

1. (1) In section 1 of the Public Thoroughfares (Guernsey) Law, 1958^b ("**the 1958 Law**"), after the definition of "the Committee" insert the following definition –

"the Electricity Company" means "Guernsey Electricity Limited" whose registered office is at Electricity House, North Side in the Parish of Vale,".

^a Article VI of Billet d'État No. IX of 2015.

^b Ordres en Conseil Vol. XVII, p. 440; as amended by Ordres en Conseil Vol. XXIII, p. 395; Vol. XXXI, p. 278; Order in Council No. XIV of 2001; Ordinance No. XXXIII of 2003; and No. IX of 2016.

(2) For the heading of section 5 substitute "**Telecommunication licensees, Electricity Company and Gas Company.**".

(3) In the first paragraph of section 5 of the 1958 Law, after "granted or deemed to have been granted under that Law" insert ", the Electricity Company".

(4) In section 5(b) of the 1958 Law –

(a) after "in the case of" insert "the Electricity Company or",
and

(b) after "mains" insert ", service cables".

Extent.

2. This Law shall extend to the Island of Guernsey.

Citation.

3. This Law may be cited as the Public Thoroughfares (Guernsey) (Amendment) Law, 2021.

Commencement.

4. This Law shall come into force on the day of its registration on the records of the Island of Guernsey.

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

THE HEALTH AND SAFETY AT WORK (EQUALITY PROVISIONS) ORDINANCE, 2021

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Health and Safety at Work (Equality Provisions) Ordinance, 2021", and to direct that the same shall have effect as an Ordinance of the States.

This proposition has been submitted to Her 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.

EXPLANATORY MEMORANDUM

This Ordinance amends several pieces of legislation to remove gender discriminatory references.

Section 1 amends the Quarries (Safety) Ordinance, 1954. It amends sections 10, 20, 33, 39 and 46 of the Ordinance to delete references to males.

Section 2 amends the Safety of Employees (Growing Properties) Ordinance, 1954. It amends sections 1 and 8 of the Ordinance to delete references to women.

Section 3 amends the Safety of Employees (Miscellaneous Provisions) Ordinance, 1952. It amends section 6 of the Ordinance to remove references to women.

Section 4 amends the Loi ayant rapport á L'emploi de femmes, de jeunes personnes et d'enfants, 1926. Articles I to IV of the Law are amended to delete references to women. Article IV is further amended by replacing the definition of "industrial undertaking" to make it gender neutral. Part III of the Schedule to the Law is deleted.

The Ordinance shall come into force on the 15th July, 2021.

The Health and Safety at Work (Equality Provisions)

Ordinance, 2021

THE STATES, in pursuance of their Resolution of the 17th July 2020^a, and in exercise of the powers conferred upon them by section 2 of the Health, Safety and Welfare of Employees Law, 1950^b and section 7 of the Health and Safety at Work etc. (Guernsey) Law, 1979^c, and all other powers enabling them in that behalf, hereby order:-

Amendments to the Quarries (Safety) Ordinance, 1954.

1. (1) The Quarries (Safety) Ordinance, 1954^d is further amended as follows.

(2) In section 10, delete "male" in the proviso to subsection (1) and in subsection (2)(b).

(3) In section 20(c), delete "male".

^a Article XV of Billet d'État No. XV of 2020.

^b Ordres en Conseil Vol. XIV, p. 312; amended by Recueil d'Ordonnances Tome XXV, p. 328; Tome XXVII, p. 139; Ordinance No. XXXIII of 2003; No. IX of 2016; and No. XXXVI of 2019.

^c Ordres en Conseil Vol. XXVII, p. 155; amended by Vol. XXXIV, p. 586; Recueil d'Ordonnances Tome XXV, p. 328; Tome XXVII, p. 139; Ordinance No. XXXIII of 2003; and No. IX of 2016.

^d Recueil d'Ordonnances Tome XI, p. 3; amended by Ordres en Conseil Vol. XXXI, p. 278; Recueil d'Ordonnances Tome XIV, p. 4; Tome XXIV, p. 162; Tome XXV, p. 328; Tome XXVII, p. 139; Ordinance No. XXXIII of 2003; and No. IX of 2016.

- (4) In section 33, delete "male".
- (5) In section 39, delete "male".
- (6) In section 46(4), delete "male".

Amendments to the Safety of Employees (Growing Properties) Ordinance, 1954.

2. (1) The Safety of Employees (Growing Properties) Ordinance, 1954^e is further amended as follows.

- (2) In section 1, delete the definition of "woman".
- (3) In section 8 –
 - (a) in the heading delete "women and", and
 - (b) delete "woman or" wherever it appears.

Amendments to the Safety of Employees (Miscellaneous Provisions) Ordinance, 1952.

3. (1) The Safety of Employees (Miscellaneous Provisions) Ordinance, 1952^f is further amended as follows.

- (2) In section 6 –

^e Recueil d'Ordonnances Tome XI, p. 55; amended by Ordres en Conseil Vol. XXXI, p. 278; Recueil d'Ordonnances Tome XIII, p. 140; Tome XIV, p. 4; Tome XXIV, p. 162; Tome XXV, p. 328; Tome XXVII, p. 139; Ordinance No. XXXIII of 2003; and No. IX of 2016.

^f Recueil d'Ordonnances Tome X, p. 194; amended by Ordres en Conseil Vol. XXXI, p. 278; Recueil d'Ordonnances Tome XIV, p. 4; Tome XXIV, p. 162; Tome XXV, p. 328; Tome XXVII, p. 139; Ordinance No. XXXIII of 2003; and No. IX of 2016.

- (a) in the heading delete " women and", and
- (b) delete " woman or" wherever it appears.

Amendements to the Loi ayant rapport á L'emploi de femmes, de jeunes personnes et d'enfants, 1926.

4. (1) The Loi ayant rapport á L'emploi de femmes, de jeunes personnes et d'enfants, 1926⁸ is further amended as follows.

- (2) In paragraph (3) of Article I, delete "or woman".
- (3) Delete Article II (e).
- (4) In paragraph (1) of Article III, delete "women,".
- (5) In Article IV –
 - (a) delete the definition of "woman", and
 - (b) for the definition of "industrial undertaking", substitute-

"The expression "**industrial undertaking**" has, with respect to the employment of children and young persons, the meanings respectively assigned thereto in the conventions set out in Parts I and II of the Schedule to this Law."
- (6) In the Schedule, delete Part III.

Citation.

⁸ Ordres en Conseil Vol. VIII, p. 29; amended by Vol. XXXI, p. 278; and Ordinance No. VII of 2010.

5. This Ordinance may be cited as the Health and Safety at Work (Equality Provisions) Ordinance, 2021.

Commencement.

6. This Ordinance shall come into force on the 15th July, 2021.

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

THE MACHINERY OF GOVERNMENT (TRANSFER OF FUNCTIONS) ORDINANCE, 2021

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Machinery of Government (Transfer of Functions) Ordinance, 2021", and to direct that the same shall have effect as an Ordinance of the States.

This proposition has been submitted to Her 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.

EXPLANATORY MEMORANDUM

This Ordinance transfers to the Policy & Resources Committee powers of the Committee for Employment & Social Security in the Social Insurance (Guernsey) Law, 1978 and the Long-term Care Insurance (Guernsey) Law, 2002 to invest any monies in the Guernsey Insurance Fund and the Long-term Care Insurance Fund respectively in investments authorised by the States and the related function to delegate that power to professional fund or investment managers.

The Machinery of Government (Transfer of Functions)

Ordinance, 2021

THE STATES, in pursuance of their Resolution of the 25th March, 2021^a, and in exercise of the powers conferred on them by sections 1 and 3 of the Public Functions (Transfer and Performance) (Bailiwick of Guernsey) Law, 1991^b, and all other powers enabling them in that behalf, hereby order:-

Transfer of Functions.

1. The functions, rights and liabilities of the Committee for Employment & Social Security arising under –

- (a) section 100(4) and (5) of the Social Insurance (Guernsey) Law, 1978^c, and
- (b) section 1(7) and (8) of the Long-term Care Insurance (Guernsey) law, 2002^d,

^a Article IV of Billet d'État No. VIII of 2021.

^b Ordres en Conseil Vol. XXXIII, p. 478; amended by Ordinance No. XXXIII of 2003 and No. IX of 2016.

^c Ordres en Conseil Vol. XXVI, p. 292; section 100 is amended by Ordres en Conseil Vol. XXIX, p. 148 and Vol. XXXV(1), p. 161; and Ordinance No. IX of 2016; there are other amendments to the Law not relevant to this Ordinance.

^d Order in Council No. XXIII of 2002; section 1 is amended by Ordinance No. IX of 2016; there are other amendments to the Law not relevant to this Ordinance.

are transferred to and vested in the Policy & Resources Committee; and the provisions listed in paragraphs (a) and (b) are referred to in this Ordinance as the "**Relevant Subsections**".

Amendment of statutory references.

2. For any reference in the Relevant Subsections to the Committee for Employment & Social Security, however expressed, there is substituted a reference to the Policy & Resources Committee.

Savings and transitional provisions.

3. Anything done before the date of commencement of this Ordinance, or in the process of being done on that date, by or in relation to the Committee for Employment & Social Security under the Relevant Subsections shall have effect as if done, or (as the case may be) may be continued, by or in relation to the Policy & Resources Committee.

Citation.

4. This Ordinance may be cited as the Machinery of Government (Transfer of Functions) Ordinance, 2021.

Commencement.

5. This Ordinance shall come into force on the 15th July 2021.

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

THE INCOME TAX (GUERNSEY) (AMENDMENT) ORDINANCE, 2021

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Income Tax (Guernsey) (Amendment) Ordinance, 2021", and to direct that the same shall have effect as an Ordinance of the States.

This proposition has been submitted to Her 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.

EXPLANATORY MEMORANDUM

This Ordinance amends the Income Tax (Guernsey) Law, 1975 to:

- make necessary amendments in order to be able to implement the provisions of the Assistance in Collection Article contained in the Double Taxation Agreement between Guernsey and the United Kingdom and Northern Ireland for the Elimination of Double Taxation with Respect to Taxes on Income and on Capital Gains and the Prevention of Tax Evasion and Avoidance and Protocol, thus enabling the collection of UK tax debts within Guernsey,
- provide the Director of the Revenue Service with the power to undertake onsite visits in respect of business premises for the purposes of reviewing compliance with any approved international agreement or international tax measure. Approval must be sought from the Bailiff prior to any such inspection unless consent or at least 7 day's written has been given,
- require all financial institutions operating in Guernsey to register with the Revenue Service if they are a person or entity which is a financial institution within the meaning of the Income Tax (Approved International Agreements) (Implementation) (United Kingdom and United States of America) Regulations, 2014 ("FATCA") or the Income Tax (Approved International Agreements) (Implementation) (Common Reporting Standard) Regulations, 2015 ("CRS") ("a relevant institution") and to submit an annual validation,
- enable the Director of the Revenue Service to give directions to a relevant institution which are necessary or desirable for the purposes of securing compliance with the international tax provisions. The Director also has the power

to appoint independent inspectors to investigate a relevant institution reasonably suspected of having contravened the international tax provisions,

- require relevant institutions to notify the Director if they have been unable to obtain valid self-certification under the CRS and/or FATCA Regulations, or having obtained self certification, have reasonable grounds to suspect that the self-certification is or has subsequently become incorrect or unreliable. Upon receipt of such a notification, the Director may require the relevant institution to provide any further information and may also make a freezing order restricting withdrawals from the account in question,
- provide a right of appeal against a decision of the Director to give a direction, appoint an inspector, impose a requirement to provide further information or documents, or make a freezing order,
- make other necessary consequential changes to the 1975 Law and other minor amendments specified in the policy letter.

The Income Tax (Guernsey)

(Amendment) Ordinance, 2021

THE STATES, in pursuance of their Resolution of the 12th December, 2019^a, and in exercise of the powers conferred on them by sections 75Q, 203A and 208C of the Income Tax (Guernsey) Law, 1975^b and all other powers enabling them in that behalf, hereby order:-

Amendment of 1975 Law.

1. The Income Tax (Guernsey) Law, 1975 is further amended as follows.
2. In section 4(2)(c)(i)(B) –
 - (a) after “the provisions of” insert “an approved international agreement or”, and
 - (b) after “made” insert “in either case”.
3. In section 68(1AAA)(b) after the words “thinks fit” insert “or made on the official website of the States of Guernsey Revenue Service”.
4. In section 75C(1) –

^a Article XVII of Billet d'État No. XXIV of 2019.

^b Ordres en Conseil Vol. XXV, p. 124; sections 75Q and 203A were inserted by Order in Council No. XVII of 2005 and section 208C was inserted by Order in Council No. V of 2011. There are other amendments not material to this Ordinance.

- (a) for the words “Subject to subsection (2), the Director may exercise” substitute “The Director shall exercise”, and
- (b) after the words “request for information” insert “or for assistance in collection”.

5. (1) Section 75C(2) is repealed.

(2) The repeal made by subsection (1) has effect in relation to requests for information made by the competent authority of a requesting state only when made after the date of the repeal.

6. In section 75C(3) after the words “request for information” insert “or for assistance in collection”.

7. In section 75C(4) –

- (a) after the definition of “approved international agreement” insert the following definition –

“**“assistance in collection”** means an arrangement for the enforcement of tax debts due in another territory, or claims or judgments for the collection, recovery or payment of tax so due, or other revenue claims, corresponding to the arrangement set out in Article 27 (“assistance in the collection of taxes”) of the double taxation agreement between the States of Guernsey and the Government of the United Kingdom of Great Britain and Northern Ireland for the Elimination of Double Taxation with Respect to Taxes on Income and on Capital Gains and the

Prevention of Tax Evasion and Avoidance and Protocol given effect by an exchange of letters between the two governments on the 2nd July, 2018^c, implemented by Part VIIIB of this Law,”

- (b) in the definitions of “competent authority” and “requesting state” after the words “request for information” insert “or for assistance in collection”.

8. In section 75I(2)(d) after “to such an inquiry,” insert “or any document or evidence relevant to the performance of the Director’s functions,”.

9. In section 75K(6) after the words “request for information” wherever appearing insert “or for assistance in collection”.

10. In section 75L(3) after “this Part” wherever appearing insert “or Part VIIIA or VIIIB”.

11. After section 75M(1)(e) insert the following paragraph –

“or (f) Part VIIIA or VIIIB,”.

12. After section 75M(2)(e) insert the following paragraph –

^c The agreement was specified in a Resolution of the States of Deliberation under section 172 of the Law on the 12th December, 2018 (Billet d’État XXVII of 2018, Article XXIII), and therefore has effect for the purposes of that section; and was also specified, pursuant to section 75C of the Law, as an approved international agreement for the purposes of the Law by the Income Tax (Guernsey) (Approval of Agreement with the United Kingdom) Ordinance, 2018.

“or (f) Part VIIIA or VIIIB,”.

13. In section 75O after the definition of “approved international agreement” insert the following definition –

““**assistance in collection**” has the meaning given by section 75C,”.

14. After section 83 insert the following Parts –

“PART VIIIA

ONSITE VISITS IN RESPECT OF BUSINESS PREMISES

Powers to enter premises and inspect documents.

83A. (1) The Director may, during normal business hours or at any other reasonable time, if the Director considers it necessary to do so for the prescribed purposes -

- (a) enter any business premises, and
- (b) inspect the premises and any business documents therein.

(2) The “**prescribed purposes**” are -

- (a) the purposes of ascertaining whether the provisions of this Law or any Ordinance or regulation under it or of any approved international agreement or international tax

measure (the “**relevant tax provisions**”) are applicable,

- (b) the purposes of ascertaining compliance with the relevant tax provisions,
 - (c) otherwise, the purposes of the relevant tax provisions, or
 - (d) the purposes of the performance of the Director’s functions in respect of the relevant tax provisions.
- (3) The entry and inspection may only take place if -
- (a) the occupier of the premises consents,
 - (b) the Director has given the occupier at least 7 days' written notice of the entry and inspection and when it will take place (and written notice under this paragraph may be served by the Director in the same manner as a notice of assessment may be served under section 73A(1)), or
 - (c) the entry and inspection has been approved by the Bailiff under section 83B and the Director complies with section 83C.

(4) The Director may not inspect -

- (a) any part of the premises used solely as a dwelling,
- (b) items subject to legal professional privilege within the meaning of section 24 of the Police Powers and Criminal Evidence (Bailiwick of Guernsey) Law, 2003 (but for the purposes of this section items held with the intention of furthering a criminal purpose are not items subject to legal professional privilege), or
- (c) a document relating to the conduct of any appeal relating to tax or taxation.

(5) The powers of inspection conferred by this section include power to obtain and record information (whether electronically or otherwise) relating to business premises and business documents inspected.

(6) In this Part of this Law -

"business documents" means documents which relate to the carrying on of a business and which -

- (a) are of a class or description required under this Law (or any Ordinance or regulation under it) to be kept in respect of the business, or

- (b) contain or may contain information relevant to any of the prescribed purposes,

"**business premises**" means premises or any parts of premises which the Director has reason to believe are used in connection with the carrying on of a business.

Approval of entry and inspection by Bailiff.

83B. (1) The Director shall, where the Director wishes to obtain approval of an entry and inspection for the purposes of section 83A(3)(c), make a written application accompanied by information on oath to the Bailiff.

(2) The application must specify the reasons for making it and identify the premises, the occupier and the business documents or class or description of business documents to which the application relates.

(3) The application may, with the approval of the Bailiff, and subject to such terms and conditions as the Bailiff may direct, be made ex parte.

(4) The Bailiff may give approval in writing if satisfied that the Bailiff is reasonably justified in doing so in all the circumstances of the case.

(5) The approval may be given on such terms and conditions (including, without limitation, a term or condition that the Director must or may be accompanied by any person specified, or of a class or description specified, in the approval) and subject to such penalty as the Bailiff thinks just.

(6) In this Part of this Law the "**Bailiff**" means the Bailiff, Deputy-Bailiff, Judge of the Royal Court, Lieutenant-Bailiff or Juge Délégué and, where the premises in question are in Alderney, includes the Chairman of the Court of Alderney or, if the Chairman is unavailable, a Jurat thereof.

Notice requirement for entry and inspection.

83C. The Director must, when entering premises pursuant to the approval of the Bailiff under section 83B, give notice -

- (a) to the occupier of the premises, if the occupier is present,
- (b) if the occupier is not present, to another person who appears to be in charge of the premises, or
- (c) if there is no such person, by leaving the notice in a prominent place in the premises.

Power to require reasonable assistance.

83D. (1) This section applies if the Director has entered business premises pursuant to the approval of the Bailiff under section 83B.

(2) The Director may require a person described in subsection (3) who is present on the premises to give the Director all such assistance as may reasonably be requested to facilitate the execution of the search for, accessing, inspection or removal of any document and otherwise to enable the performance of the Director's functions for the purposes of the entry and inspection (an "**assistance requirement**").

(3) The persons referred to in subsection (2) are -

- (a) the person whose tax position, business or activities are being examined (the "**investigated person**"),
- (b) a tax adviser of the investigated person,
- (c) anyone employed or engaged by the investigated person or the tax adviser to perform work at the business premises, and
- (d) any other person on the premises appearing to have charge of, or to be otherwise concerned in the operation of, the management, recording or storage of any document which is on or accessible from the premises, whether or not stored or recorded in electronic form, or any system, arrangement or technology in or by virtue of which any such document is stored, recorded or accessed.

(4) When making an assistance requirement of a person, the Director must inform the person in writing that a contravention of the requirement is an offence under this Law.

Other provisions in respect of documents.

83E. (1) The Director may take copies of or extracts from any business document.

(2) The Director may -

- (a) at any reasonable time, remove any business document and retain it for a reasonable period, or
- (b) take any steps which appear to be necessary for preserving any business document or preventing interference with it.

(3) The Director may require any person who was required to produce a business document –

- (a) to attend at such time and place as may be required and to give an explanation of and to answer questions relating to it or anything in it, and
- (b) if the document is not produced, to state, to the best of his knowledge and belief, where it is.

(4) If a business document is stored or recorded in electronic form, the Director may require the document to be produced in a form -

- (a) in which it can be taken away, and

- (b) in which it is visible and legible or from which it can readily be produced in a visible and legible form.

(5) The Director must, if the owner of any business document removed and retained under this section so requests at any time, give the owner -

- (a) a receipt for the document, and
- (b) if the owner reasonably requires the document for any immediate purpose, and the Director does not wish to return it, a copy of the document, which must be given free of charge.

(6) If a business document is lost or damaged before it is returned to the owner, the Director must compensate the owner for any costs reasonably incurred in the document's replacement or repair.

Offences of obstruction, etc.

83F. A person who, without reasonable excuse, contravenes an assistance requirement made of that person under section 83D or otherwise obstructs or fails to comply with any requirement imposed by a person exercising or purporting to exercise any power conferred by or under this Part of this Law is guilty of an offence and liable on summary conviction to a fine not exceeding twice level 5 on the uniform scale.

Other powers of investigation, etc, not prejudiced.

83G. The provisions of this Part of this Law are in addition to and not in derogation from any other provision of this Law or any Ordinance or regulation under it.

PART VIIIB
ASSISTANCE IN COLLECTION
OF OVERSEAS TAX DEBTS

Implementation of provisions of approved international agreements about assistance in collection.

83H. (1) The purpose of this Part of this Law is to implement (within the meaning of section 75CC) the provisions of Article 27 (“assistance in the collection of taxes”) of the double taxation agreement between the States of Guernsey and the Government of the United Kingdom of Great Britain and Northern Ireland for the Elimination of Double Taxation with Respect to Taxes on Income and on Capital Gains and the Prevention of Tax Evasion and Avoidance and Protocol given effect by an exchange of letters between the two governments on the 2nd July, 2018^d.

(2) This Part of this Law has effect notwithstanding any rule of private international law (applied in *Government of India v. Taylor*^e, and however expressed) prohibiting or restricting the enforcement in Guernsey,

^d The agreement was specified in a Resolution of the States of Deliberation under section 172 of the Law on the 12th December, 2018 (Billet d'État XXVII of 2018, Article XXIII), and therefore has effect for the purposes of that section; and was also specified, pursuant to section 75C of the Law, as an approved international agreement for the purposes of the Law by the Income Tax (Guernsey) (Approval of Agreement with the United Kingdom) Ordinance, 2018.

^e (1955) A.C. 491.

directly or indirectly, of –

- (a) tax debts due to,
- (b) claims for the collection, recovery or payment of taxes or other revenue claims by, or
- (c) judgments for the payment of taxes given by the courts of,

another territory.

(3) The Committee may by regulation provide that the provisions of this Part of this Law apply (with such exceptions, adaptations and modifications as may be specified in the regulations) in respect of the provisions of an approved international agreement or international tax measure specified in the regulations as they apply in respect of the provisions of the double taxation agreement with the Government of the United Kingdom referred to in subsection (1).

Meaning of “revenue claims”.

83I. (1) The claims which can be collected under this Part of this Law (“revenue claims”) are for –

- (a) amounts owed in respect of United Kingdom tax, and
- (b) interest, administrative penalties and costs of collection and conservancy related to such

amounts (including, without limitation and for the avoidance of doubt, costs and fees incurred in respect of proceedings in the courts of Guernsey).

(2) In this Part of this Law –

- (a) “**United Kingdom tax**” means any tax or duty imposed under the domestic law of the United Kingdom including, without limitation, income tax, corporation tax, capital gains tax, VAT and excise duties, and
- (b) “**United Kingdom**” means the United Kingdom or any part thereof.

Collection of revenue claims.

83J. (1) When a revenue claim of the United Kingdom is, at any time –

- (a) enforceable under the law of the United Kingdom, and
- (b) owed by a person who, at that time, cannot, under the law of the United Kingdom, prevent its collection,

that revenue claim shall, at the request of the competent authority of the United Kingdom, be accepted for the purposes of collection by the Director.

(2) For the avoidance of doubt and without limitation, it is not necessary for the competent authority of the United Kingdom to have obtained a court judgment in the United Kingdom in respect of a revenue claim for it to be owed, for the purposes of subsection (1), by a person who cannot, under the law of the United Kingdom, prevent its collection.

(3) For the purposes of subsection (1) a revenue claim shall be deemed –

- (a) to be enforceable under the law of the United Kingdom, and
- (b) to be owed by a person who cannot, under the law of the United Kingdom, prevent its collection,

if the Director has received from the competent authority of the United Kingdom a certificate called for the purposes of this Part of this Law an **“Instrument Permitting Enforcement”** stating that the circumstances specified in paragraphs (a) and (b) are made out and particularising the identity of the debtor, the amount of the claim and the description of United Kingdom tax in respect of which the claim is owed.

(4) Upon receipt of an Instrument Permitting Enforcement in respect of a revenue claim -

- (a) the revenue claim shall, for the purposes of enforcement, collection and recovery, be treated

under the law of Guernsey in all respects as if the amount owed were a liability to tax under this Law arising in consequence of a final assessment the time limit for appealing against which under section 76 has expired,

(b) the Director shall –

(i) issue a notice to the person named in the Instrument Permitting Enforcement stating that the revenue claim is to be collected from that person, and

(ii) pursue the collection of the revenue claim in Guernsey from that person in accordance with the provisions of this Law and the law of Guernsey applicable to the enforcement, collection and recovery of a liability to tax under this Law, and

(c) the settlement date in respect of the revenue claim for the purposes of section 199(1) shall be the 30th day immediately following the date of the notice referred to in paragraph (b)(i).

(5) Service of an Instrument Permitting Enforcement and a notice of the Director under subsection (4)(a) shall be effected in accordance with section 73A in all respects as if the Instrument and notice were a notice of

assessment, and the provisions of sections 73A and 73B shall apply accordingly.

(6) In enforcing, collecting and recovering a revenue claim under this section, the Director may rely in all respects upon –

- (a) the Instrument Permitting Enforcement, and
- (b) all information, documents and particulars provided by the competent authority of the United Kingdom in support of it.

(7) In any legal proceedings (criminal or otherwise), whether or not under the provisions of or for the purposes of this Law, an Instrument Permitting Enforcement is admissible in evidence in any court, tribunal or administrative review body and irrebuttable proof of the matters stated therein.

(8) The Director may ask the competent authority of the United Kingdom for further information, documents and particulars in support of an Instrument Permitting Enforcement.

Conservancy measures.

83K. (1) When a revenue claim of the United Kingdom is a claim in respect of which the United Kingdom may, under its law, take measures of conservancy with a view to ensure its collection, that revenue claim shall, at the request of the competent authority of the United Kingdom, be accepted for the purposes of taking measures of conservancy by the Director (including, without limitation and by way of example, *arrêts conservatoires* and

injunctions).

(2) The Director shall take measures of conservancy in respect of that revenue claim in accordance with the provisions of this Law and the law of Guernsey as if the revenue claim were a liability to tax under this Law even if, at the time when such measures are applied, the revenue claim is not enforceable in the United Kingdom or is not owed by a person who cannot, under the law of the United Kingdom, prevent its collection.

(3) In taking measures of conservancy in pursuance of a request under this section, the Director may rely in all respects upon –

(a) the request, and

(b) all information, documents and particulars provided by the competent authority of the United Kingdom in support of it.

(4) In any legal proceedings (criminal or otherwise), whether or not under the provisions of or for the purposes of this Law, a request to take measures of conservancy is admissible in evidence in any court, tribunal or administrative review body and irrebuttable proof of the matters stated therein.

(5) The Director may ask the competent authority of the United Kingdom for further information, documents and particulars in support of a request to take measures of conservancy.

Prescription and preferences not applicable.

83L. Notwithstanding the provisions of section 83J and 83K, a revenue claim of the United Kingdom accepted by the Director for the purposes of those sections shall not, in Guernsey –

- (a) be subject to the time limits or accorded any priority applicable to a claim for the enforcement, collection and recovery of a liability to tax under this Law by reason of its nature as such, or
- (b) have any priority or preference applicable to such a claim under the law of Guernsey.

Merits of revenue claim not justiciable in Guernsey.

83M. (1) Proceedings with respect to the existence, validity or amount of a revenue claim of the United Kingdom shall not, provided that the Director has received the Instrument Permitting Enforcement referred to in section 83J(4) or the request to take measures of conservancy referred to in section 83K, be brought before the courts, tribunals or administrative review bodies of Guernsey by or on behalf of the person who owes or is alleged to owe the revenue claim.

(2) The Instrument Permitting Enforcement and the request to take measures of conservancy are irrebuttable evidence of the existence, validity and amount of a revenue claim of the United Kingdom and evidence seeking to rebut statements of those matters in the Instrument Permitting Enforcement or request to take measures of conservancy may not be adduced before any court or tribunal in Guernsey.”.

15. In section 76 –

- (a) immediately before the words “or by any surcharge or additional surcharge under section 199” insert “or by the acceptance for the purposes of collection of a revenue claim pursuant to section 83J following receipt by the Director of an Instrument Permitting Enforcement under that section,”,
- (b) after the words “or (as the case may be)” insert “the date of the issue of the notice of the Director under section 83J(4)(b), or”,
- (c) after paragraph (d) insert the following paragraph –
 - “(e) the acceptance for the purposes of collection of a revenue claim pursuant to section 83J following receipt by the Director of an Instrument Permitting Enforcement under that section, the sole ground of appeal is that the notice of the Director under section 83J(4)(b) is, having regard to section 83J(7) (Instrument Permitting Enforcement is admissible in evidence and irrebuttable proof of matters stated therein), invalid.”.

16. In section 83 –

- (a) for the heading substitute “Enforcement of payment and service of summons”,
- (b) the text is numbered as subsection “(1)”,

- (c) after subsection (1), as so numbered, insert the following subsections -

“(2) Service of a summons on a person to appear before the Royal Court, Magistrate’s Court or Court of Alderney for the payment of income tax, penalties, surcharges or additional surcharges under this Law or for the enforcement, collection or recovery of a revenue claim pursuant to section 83J is deemed to be effected, and shall enable the matter to proceed in all respects, if the summons is –

- (a) addressed to the person concerned –

(i) at his or her usual or last known place of residence or at his or her relevant address, or

(ii) in the case of a company, at its principal place of business or at its relevant address, and

- (b) delivered by hand or posted to that place or address,

and in this subsection -

"**posted**" means prepaid and sent by tracked delivery, recorded delivery or signed for delivery (and, in the case of a summons which is posted, service is deemed to be effected when the summons is delivered),

"**relevant address**" means an address with which, in the opinion of the Director, the person concerned has a personal, business or other connection and at which a document served is likely to come to his or her attention and (without limitation) includes, in the case of a company, its registered office.

(3) For the purposes of subsection (2), a summons shall be deemed to have been –

- (a) addressed to the person concerned, and
- (b) delivered by hand or posted to a place or address,

if the person effecting service certifies that it was addressed, and delivered or posted (as the case may be), in accordance with that subsection.

(4) Subsections (2) and (3) are in addition to and not in derogation from the provisions of the Royal Court Civil Rules, 2007, the Court of Alderney Civil Rules, 2005 and any other enactment or rule of law relating to the service of documents.”.

17. In section 73A(1), in the definition of “posted”, for “registered post, recorded delivery service” substitute “special delivery, recorded or signed for delivery”.

18. In section 73A(4)(c) for the words “under Part VII is conferred by this Law” substitute “is conferred by this Law or by any Ordinance or regulation made

under it”.

19. In section 73B -

(a) in paragraph (b) after “delivered by hand” insert “, posted”,
and

(b) in the text following paragraph (b), after “delivered” insert “,
posted”.

20. After Part XIVA insert the following Part –

“PART XIVB
FINANCIAL INSTITUTIONS – REGISTRATION REQUIREMENT,
INSPECTORS AND OTHER PROVISIONS

Duty of financial institutions to register with Revenue Service.

171C. (1) A person or entity which is –

(a) a Guernsey Financial Institution within the
meaning of the Income Tax (Approved
International Agreements) (Implementation)
(United Kingdom and United States of America)
Regulations, 2014^f (the “FATCA regulations”),
or

^f G.S.I. 2014 No. 55; there are amendments not material to this enactment.

- (b) a Financial Institution in Guernsey within the meaning of the Income Tax (Approved International Agreements) (Implementation) (Common Reporting Standard) Regulations, 2015⁸ (the “**CRS regulations**”),

must register with (and, to the extent required by notice of the Director, make disclosures, and provide information and documents, by means of) an electronic portal specified by notice of the Director.

(2) A person or entity described in subsection (1)(a) or (b) is referred to in this Part of this Law as a “**relevant institution**”.

(3) Registration under subsection (1) by a relevant institution must contain a declaration -

- (a) of the institution’s classification as a Reporting Financial Institution, Non-Reporting Financial Institution, Participating Jurisdiction Financial Institution or Non-Participating Financial Institution, and the category, class or description of such institution into which it falls, under the FATCA or CRS regulations, or
- (b) where paragraph (a) is inapplicable, that it is not an institution of any such classification.

⁸ G.S.I. 2015 No. 97; there are amendments not material to this enactment.

(4) Registration under subsection (1) shall be effected in such form and manner and by such means, and accompanied by such information and documents, as the Director may by notice require.

(5) A relevant institution must also, in each calendar year before the final day of February, submit a return to the Director (an “**annual validation**”), in such form and manner and by such means, and containing or accompanied by such information and documents, as the Director may by notice require.

(6) The information and documents contained in or accompanying the annual validation shall be correct and complete as at the date of submission.

(7) The annual validation –

(a) shall state that the information provided upon registration and subsequently as to classification and category, class or description remains correct and complete, or

(b) shall, if that information is not or is no longer correct and complete, and without prejudice to subsection (8), provide correct and complete information, specifying the manner in which the registered information has changed.

(8) If, in respect of a relevant institution, there is any change

of fact or circumstance, or any change to any of the information provided to the Director by or on behalf of the institution upon registration and subsequently (whether by virtue of the information becoming out of date, or being found to be incomplete or inaccurate, or otherwise), the institution shall inform the Director of the change as soon as practicable after becoming aware of the change and in any event within a period of 14 days thereafter (or such other period as the Director may determine).

(9) Notices of the Director under this Part –

(a) may be given or published in such form and manner, by such means and at such times or intervals and for such period as the Director thinks fit, including (without limitation) by publication on the official website of the States of Guernsey Revenue Service or by being set out in statements of practice issued under section 204, and

(b) may be given to any particular relevant institution, or any particular person or entity reasonably believed to be a relevant institution, or to any category, class or description of such institutions, persons or entities, or to all such institutions, persons or entities.

(10) A person who contravenes any provision of this section is guilty of an offence and liable –

- (a) on summary conviction, to a fine not exceeding twice level 5 on the uniform scale,
- (b) on conviction on indictment, to a fine,

and in either case to a further fine not exceeding level 3 on the uniform scale for each day on which the failure to comply continues after the date of conviction.

(11) In this Part of this Law an "**entity**" includes a scheme, trust, structure, arrangement and cell of a protected cell company.

(12) The duty to register imposed by subsection (1) does not come into effect until the 1st July 2021 or such later date as may be specified by regulations of the Committee.

Directions to non-compliant institutions.

171D. (1) The Director may by notice in writing give such directions to a relevant institution as appear to the Director to be necessary or desirable for the purposes of securing compliance with the international tax provisions.

- (2) The "**international tax provisions**" are –
 - (a) the provisions of any approved international agreement or international tax measure, and
 - (b) the provisions of this Law or any Ordinance or regulation under it implementing or applicable

in respect of any such agreement or measure.

(3) The Director may vary or rescind a direction by notice in writing served on the relevant institution.

(4) Without prejudice to the generality of subsection (1), directions thereunder may require the relevant institution to do or not to do any thing.

(5) A direction shall remain in force until rescinded by the Director, unless it is expressed to be of limited duration in which case it shall remain in force until -

- (a) the occurrence of such date, time, event or circumstance as may be specified in it,
- (b) such prohibitions, restrictions or requirements as may be so specified are complied with to the satisfaction of the Director, or
- (c) rescinded by the Director, if earlier.

(6) A person who contravenes any provision of a direction under subsection (1) is guilty of an offence and liable -

- (a) on summary conviction, to a fine not exceeding twice level 5 on the uniform scale,
- (b) on conviction on indictment, to a fine.

(7) In the event of failure by the relevant institution to comply with a direction under this section, the Director may, without prejudice to any other penalties, powers or proceedings in respect of the failure to comply, apply to the Royal Court for an order requiring the relevant institution to comply, in such manner as the Royal Court thinks fit, with the direction; and an order of the Royal Court under this subsection may contain such incidental, ancillary, consequential and supplementary provision, and may be made on such terms and conditions and subject to such penalty, as the Royal Court thinks proper.

Appointment of independent inspectors.

171E. (1) The Director may, in relation to a relevant institution which has or is reasonably suspected of having contravened the international tax provisions set out in section 171D(2), and whether or not the Director has served a notice giving directions under section 171D(1), if the Director considers it necessary or desirable to do so for the purpose of investigating and securing compliance with the international tax provisions and any such direction, by notice in writing appoint, or require the relevant institution to appoint, one or more competent persons ("**inspectors**").

(2) Inspectors shall –

- (a) investigate the institution's compliance with the international tax provisions and any direction given by notice under section 171D(1),
- (b) oversee any necessary remedial measures, making such recommendations as they consider

necessary,

- (c) validate the effectiveness of the remedial measures in moving the institution into a position of compliance, and
- (d) report to the Director on such compliance, remediation and validation at such times and intervals and in such form and manner as the Director may require.

(3) A report of an inspector under this section shall be in such form as may be specified in the notice of the appointment referred to in subsection (1) or as the Director may otherwise determine.

(4) A person appointed as an inspector -

- (a) must, if appointed by the relevant institution, be nominated or approved by the Director, and
- (b) must appear to the Director to have the qualifications, skill and resources necessary to enable the inspector to conduct the investigation, and to make the report, in question.

(5) A relevant institution being investigated under this section and any person described in subsection (6) -

- (a) shall produce to an inspector, at such time and place and in such form and manner as the inspector may require, all documents in their custody or power relating to the relevant institution; and the inspector may take copies of or extracts from any documents produced under this paragraph,
- (b) shall attend before an inspector at such time and place as the inspector may require and answer such questions and give such explanations as the inspector may put or require in relation to the relevant institution, and
- (c) otherwise shall give an inspector all assistance in connection with the investigation that is reasonably able to be given.

(6) The persons referred to in subsection (5) are a person who is or has been a director, partner (or fellow member, in the case of a limited liability partnership), manager, employee, agent, banker, auditor, actuary, advocate or other legal adviser of a relevant institution being investigated under this section.

(7) An inspector shall, if so required, produce evidence of his or her authority.

(8) A person who without reasonable excuse -

- (a) contravenes any provision of subsection (5), or
- (b) obstructs, fails to comply with any requirement of or fails to give all reasonable assistance to an inspector exercising or purporting to exercise any power conferred by this section,

is guilty of an offence and liable -

- (i) on summary conviction, to imprisonment for a term not exceeding 6 months, or to a fine not exceeding twice level 5 on the uniform scale, or to both,
- (ii) on conviction on indictment, to imprisonment for a term not exceeding two years, or to a fine, or to both.

(9) A statement made by a person ("A") in response to a requirement imposed under this section -

- (a) may be used in evidence against A in proceedings other than criminal proceedings, and
- (b) may not be used in evidence against A in criminal proceedings except -
 - (i) where evidence relating to it is adduced,

or a question relating to it is asked, in the proceedings by or on behalf of A, or

(ii) in proceedings for -

(A) an offence under subsection (8) or section 75L(3) or 201(4) (but only in relation to a requirement imposed by or under this section),

(B) some other offence where, in giving evidence, A makes a statement inconsistent with it, but the statement is only admissible to the extent necessary to establish the inconsistency,

(C) perjury, or

(D) perverting the course of justice.

(10) A requirement imposed under this section has effect notwithstanding any obligation as to confidentiality or other restriction upon the disclosure of information imposed by statute, contract or otherwise; and, accordingly, the obligation or restriction is not contravened by the making of a disclosure, or by any other act or omission, pursuant to such a requirement.

(11) Nothing in this section compels the production or divulgence of a communication or item subject to legal professional privilege when it is in the possession of a person who is entitled to possession of it; but an advocate or other legal adviser may be required to give the name and address (including an electronic address) of any client.

(12) Where a person claims a lien on a document its production under this section is without prejudice to the lien.

(13) Subject to subsection (14), the costs, fees and expenses of an investigation and report under this section shall be met by the relevant institution which is being investigated under subsection (1); and those costs, fees and expenses may, subject as aforesaid, be recovered by the Director from the relevant institution as a civil debt.

(14) Any sum in respect of the costs, fees and expenses of an investigation and report under subsection (1) may be recovered by the Director from a relevant institution as a civil debt except where and to the extent that the court is satisfied that -

- (a) the sum is not reasonable in amount or was not reasonably incurred, or
- (b) the Director acted unreasonably, frivolously or vexatiously in incurring that sum.

For the avoidance of doubt, the burden of establishing the matters referred to in paragraphs (a) and (b) lie on the person from whom recovery is sought.

(15) No liability is incurred by an inspector in respect of anything done or omitted to be done in connection with the preparation of a report under, or otherwise for the purposes of, this section except to the extent that the liability arises from the inspector's own fraud, wilful misconduct or gross negligence.

(16) The powers conferred by this section are in addition to and not in derogation from the powers conferred by section 171D (directions to non-compliant institutions).

Failure to obtain self-certification and freezing orders, etc.

171F. (1) Where a relevant institution is authorised or required under the FATCA or CRS regulations to rely on a valid self-certification of an account holder or other description of person but –

- (a) has been unable to obtain a self-certification, or
- (b) having obtained a self-certification from the account holder or other relevant description of person and reviewed it for validity, correctness and reliability in accordance with the due diligence procedures set out under the said regulations, knows or has reasonable grounds to suspect that the self-certification is or has subsequently become incorrect or unreliable,

the relevant institution must immediately notify the Director that the circumstances set out in paragraph (a) or (b) are made out.

(2) Notification under subsection (1) must be made in such form and manner and by such means, and must be accompanied by such information and documents, as the Director may by notice require.

(3) On receipt of notification under subsection (1) and at any time thereafter the Director –

(a) may require the relevant institution to provide any further information and documents or to make any further review or inquiry, and

(b) may make an order (a “**freezing order**”) prohibiting the relevant institution from –

(i) making any transfer, withdrawal or payment from, or

(ii) effecting any transfer, assignment or other dealing or arrangement in respect of,

the account holder’s financial account except under the authority of and in accordance with the conditions of a prior express written permission of the Director.

(4) A freezing order under subsection (3)(b) made against a relevant institution in respect of a financial account has effect, and must be

acted on by the institution, notwithstanding –

(a) any duty, obligation or commitment otherwise binding on the institution under any agreement, contract or other engagement, or

(b) any right, interest or power otherwise exercisable –

(i) by or on behalf of the account holder, or

(ii) in respect of the financial account or the funds or other assets comprised in it,

under any agreement, contract or other engagement.

(5) Any interest or increment accruing to the frozen account in respect of the funds or other assets comprised in it shall also be frozen and is to be added to the funds or assets on their release.

(6) A relevant institution which –

(a) fails to give notification under subsection (1), or

(b) contravenes or causes or permits the contravention of a freezing order under subsection (3)(b),

is guilty of an offence and liable -

- (i) on summary conviction, to imprisonment for a term not exceeding 6 months, or to a fine not exceeding twice level 5 on the uniform scale, or to both,
- (ii) on conviction on indictment, to imprisonment for a term not exceeding two years, or to a fine, or to both.

(7) The powers conferred by this section are in addition to and not in derogation from the powers conferred by section 171D (directions to non-compliant institutions).

Right of appeal against decisions under sections 171D, 171E and 171F.

171G. (1) A person aggrieved by a decision of the Director –

- (a) to give a direction under section 171D,
- (b) to appoint, or require the appointment of, an inspector under section 171E,
- (c) to impose a requirement under section 171F(3)(a), or
- (d) to make a freezing order under section 171F(3)(b),

may appeal to the Guernsey Tax Tribunal on giving to the Director notice in writing, stating the grounds of appeal, within a period of 30 days beginning on the date of the notice of the Director's decision.

(2) The Guernsey Tax Tribunal may admit an appeal under subsection (1) after the expiration of the 30 day period if satisfied that owing to absence, sickness or other reasonable cause a person was prevented from giving notice of appeal within that period.

(3) In the case of an appeal against a decision described in subsection (1)(a) or (b), the sole grounds of appeal are that (as the case may require) –

(a) the institution on which notice of the decision was served -

(i) is not a relevant institution within the meaning of this Law,

(ii) is in compliance with the international tax provisions set out in section 171D(2),
or

(iii) is in compliance with any relevant directions given by the Director under section 171D, or

- (b) the decision is unreasonable as a matter of law, having regard to all facts and circumstances of the case.

(4) In the case of an appeal against a decision described in subsection (1)(c) or (d), the sole grounds of appeal are that the decision is unreasonable as a matter of law, having regard to all facts and circumstances of the case.

(5) In disposing of an appeal the Guernsey Tax Tribunal may –

- (a) confirm, annul or modify the decision in question, or
- (b) set the decision aside and remit it to the Director with such directions as the Tribunal thinks fit.

(6) Subject to section 80 of this Law, the decision of the Guernsey Tax Tribunal is final and conclusive.

(7) This section applies to the exclusion of sections 76 and 79 of this Law.

(8) Sections 77, 78, 78A and 80 of this Law apply in relation to an appeal under this section as they apply in relation to an appeal under section 76 of this Law.”.

21. In section 190(1), in paragraph (ii) of the proviso, the words following

“but this paragraph does not apply in respect of a company” are repealed.

22. In section 193(1) in the proviso for “issues the notice referred to in section two hundred of this Law” substitute “makes the order under section 200(5) directing the payment of the penalty”.

23. In section 199(6)(a)(i) and (11)(b)(i) the words “in La Gazette Officielle” are repealed.

24. In section 200(1), (4) and (5) after “section 190,” insert “section 193(1),”.

25. In section 205(2) after paragraph (b) insert “and the performance of all other functions in respect of the implementation and administration of any such agreement, measure or regulations (including, without limitation, functions relating to investigating, ascertaining, securing and validating compliance therewith)”.

26. In section 209(1) add the following definitions in the appropriate places

—

“annual validation” : see section 171C(5),

“business documents” : see section 83A(6),

“business premises” : see section 83A(6),

“CRS regulations” : see section 171C(1)(b),

“entity” : see section 171C(11),

“FATCA regulations” : see section 171C(1)(a),

“freezing order” : see section 171F(3),

“implementation” of an approved international agreement, etc : see section 75CC(2),

“inspectors” : see section 171E(1),

“international tax provisions” : see section 171D(2),

“Instrument Permitting Enforcement” : see section 83J(3),

“prescribed purposes” : see section 83A(2),

“relevant institution” : see section 171C(2),

“relevant tax provisions” : see section 83A(2)(a),

“revenue claim” : see section 83I(1),

“uniform scale” means the uniform scale of fines for the time being in force under the Uniform Scale of Fines (Bailiwick of Guernsey) Law, 1989,”.

Citation.

27. This Ordinance may be cited as the Income Tax (Guernsey) (Amendment) Ordinance, 2021.

Commencement.

28. This Ordinance shall come into force on the 15th July, 2021 or such later date as may be specified by regulations of the Policy and Resources Committee (and different days may be specified for different provisions or different purposes).

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE FOR EDUCATION, SPORT & CULTURE

SECONDARY AND POST 16 EDUCATION REORGANISATION

The States are asked to decide:-

Whether, after consideration of the policy letter, dated 28th May, 2021, they are of the opinion:-

1. To agree that from the earliest date practicable, States' maintained secondary education should be delivered through an 11-18 learning partnership across three 11-16 schools and a Sixth Form Centre located on a site separate to those schools, and Le Murier and Les Voies Schools and St Anne's School in Alderney.
2. To agree the three 11-16 schools will be located on the existing school sites at Les Beauamps, Les Varendes and St Sampson's and the Sixth Form Centre in a new building at Les Ozouets Campus co-located with The Guernsey Institute, the development and implementation of which is estimated to have:
 - a) A capital cost of £43.5m as set out in table 8 in paragraph 9.4; and
 - b) An ongoing revenue cost which will not, in the medium term, exceed the current revenue costs associated with these phases of education.
3. To approve 'Secondary & Post 16 Education Reorganisation' as a project in the capital portfolio, subject to ratification by the States as part of the Government Work Plan debate.
4. To delegate authority to the Policy & Resources Committee, following approval of the necessary business cases, to open capital votes of up to £54m, (which includes an allowance for optimism bias as described in section 9.8) to fund the model for the reorganisation of the secondary and post 16 education infrastructure agreed by the Assembly, subject to ratification by the States as part of the Government Work Plan debate.

The above Propositions have been submitted to Her 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

COMMITTEE FOR EDUCATION, SPORT & CULTURE

SECONDARY AND POST 16 EDUCATION REORGANISATION

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

28th May, 2021

Dear Sir

1 Executive Summary

- 1.1 Never has there been a time when it is more critical for government to demonstrate confident decision making and subsequent investment in its people.
- 1.2 There is a compelling case for change which is well known and understood:
- Young people are being educated in a legacy system which is no longer fit for purpose. There is inbuilt inequity in the current model, some of the buildings and facilities in the estate are in poor condition and are not representative of a modern system of education.
 - Education staff are exhausted by the turbulence and uncertainty caused by years of indecision and changes in strategic direction.
 - Recent events in the form of the pandemic and subsequent global disruption have accelerated the need for the Bailiwick to secure its economic prosperity. Stability in a modern and forward-thinking education system is key.
- 1.3 The system of secondary and post 16 education which should replace the previous selective model in Guernsey and Alderney has been the subject of significant discussion and disagreement over an extended timeframe, and due to its emotive nature, debate has often become complex and fractured. For too long Guernsey has been without certainty and this has been to the detriment of the islands' children and young people, their families, our education profession and the community.
- 1.4 The arguments are well rehearsed. There is no silver bullet which will provide a model around which everyone will coalesce, even within the education profession itself. No one model for delivery can be all things to all people. Due to the prominence of the debate and each individual's personal experience of education, it is a subject which

is, by its nature, both subjective and emotive and consequently there are different views on what might constitute the best approach. However, there are two distinct issues at the heart of the debate;

- ensuring that educational outcomes for our learners are the very best they can be and;
- the urgent requirement for the design and implementation of a system to organise educational delivery which is appropriate for Guernsey and Alderney.

- 1.5 It is accepted that the two issues are closely linked and that there will naturally be some details of the operational delivery which will be significantly influenced, facilitated or restricted by strategic decisions.
- 1.6 Importantly, to be able to move forward confidently, the States' now needs to support a collective ambition for the way that Guernsey and Alderney's education for secondary and post 16 learners is organised and then trust that the Committee for Education, Sport & Culture ("the Committee") will fulfil its mandate 'to encourage human development by maximising opportunities for participation and excellence through education, learning, sport and culture at every stage of life.'¹
- 1.7 This policy letter provides detail about the steps the Committee is taking to ensure that the States' maintained education eco-system is ambitious and aspirational, through the development of its education strategy, which is covered in more detail in Section 2. The strategy will help deliver the Committee's aspirations for education; that it should foster and build self-esteem, creativity and confidence so that all learners can flourish and thrive. It should equip learners with the knowledge and skills to help them to achieve their aspirations. It should instil a commitment to participate within the community as a responsible citizen; and it should be enjoyed by all so that we build a lifelong passion for learning across our community.
- 1.8 The strategy will help ensure that we achieve equity, safety and inclusivity in our settings; meet the needs of our community; deliver high quality learning and excellent outcomes for all learners and provide outstanding leadership and governance of our education eco-system. The strategy will provide the golden thread to ensure that activity across schools and settings is directed to improving outcomes. Importantly, our education strategy will be ongoing and actively supporting the journey to continuous improvement, irrespective of whatever delivery model for secondary and post 16 education is approved by the States.
- 1.9 The operational detail which the Committee has been entrusted to oversee and deliver when it was elected by the Assembly will be set out in the education strategy. The education strategy is not the subject of this policy letter. Instead, what is described is the Committee's ambition for a modern delivery framework for secondary and post 16 education in the Bailiwick which is fit to meet the challenges

¹ <https://www.gov.gg/article/152829/Education-Sport--Culture>

of the 21st Century. A model which minimises the existing inequity in facilities and resources, which accounts for the unique context of the islands, which capitalises on the advantages of collaboration and partnership working and which is coordinated with relevant workstreams across government, in particular the Skills and Lifelong Learning Strategy.

- 1.10 Secondary education is a key enabler of our learners' future successes; the quality of post 16 education and the diversity of the offer available to learners as they leave statutory education is particularly crucial so that our young people can flourish and fulfil their personal ambitions but it is also critical to ensure the future prosperity and success of the islands. The Bailiwick needs to align skills with the local and global employment market and so it is essential that learners moving on to post 16 education have the opportunity to select from a broad range of options including academic, vocational and technical qualifications. This will enable them to be successful wherever they choose to live and work.
- 1.11 Equally critical is the need for the principle of lifelong learning to be embedded in our future generations so that islanders can retrain and develop new skills as the employment market changes over time.
- 1.12 In considering how to recommend a model that delivers the Committee's plans, meets the islands' needs and which can be supported by the States and by the community, the Committee developed guiding principles to help focus decision making and reach a pragmatic solution. These principles mean the Committee is seeking a solution that:
- provides greater equity for post 16 education and training and in which the Sixth Form is not split across more than one site
 - delivers improvements in equity
 - is reflective of the prevailing economic opportunities and limitations of the current financial climate
 - is deliverable in a realisable timeframe whilst being mindful of disruption to the school community and which can be easily understood by all stakeholders
- 1.13 Importantly, and throughout this process, the Committee has also sought to use the views of the profession as part of its policy development and has used the responses provided through the staff surveys published in July 2020 to inform thinking about which model is optimum for Guernsey and Alderney. More details about the consultation and engagement undertaken by the Committee and its predecessor is referenced in Appendix 4.
- 1.14 The Committee's preferred model is:
- **Three six-form entry 11-16 schools and a single post 16 campus, accommodating both The Guernsey Institute and the Sixth Form Centre, at Les Ozouets.**

- 1.15 There is no change proposed to the organisation of schools for learners with the most complex needs which will continue to be delivered at Les Voies and Le Murier. It is widely accepted that these schools, along with Le Rondin, provide a high quality of support for learners with Special Educational Needs and Disabilities (SEND) and this was recently recognised in the review undertaken by the National Association for Special Educational Needs (nasen)². The Committee's preferred model will continue and extend this support to learners with additional needs who attend the island's secondary schools.
- 1.16 The Committee proposes the 11-16 schools are based at St Sampson's, Les Beaucamps and Les Varendes. Each school would have capacity for up to 780 students, but projections indicate that a maximum of 720-740 students would attend each site after the transition period to the new model has ended. This model ensures that all learners benefit from a similar size learning environment and breadth of curriculum offer, allows for each school to develop its own culture and identity and provides for access to a more consistent quality of facilities. These priorities were considered essential or highly desirable by a majority of staff. This model also provides for a relatively quick transition to a new delivery framework and can be in place by September 2024.
- 1.17 The Committee's proposals for future post 16 provision are to create a brand new campus for all post 16 education, providing a learning environment with bespoke, high quality facilities for both further and higher education. This will ensure that academic and vocational pathways are considered as equally valid choices for the island's young people, removing some of the existing and in some quarters, historically negative perceptions around entry into technical and vocational careers. The Post 16 Campus will act as a flagship centre of ambition and aspiration for all learners progressing from the 11-16 schools. All students will have the opportunity to graduate to the new campus, irrespective of their choices at post 16 and will join a mature, adult learning environment which will prepare them for their next steps in education or work.
- 1.18 Importantly, this model proposes a valuable investment for the community which delivers a long-term and flexible solution for the future and ensures that the islands' education system can meet the increased demand for skills both locally and globally. It will set the Bailiwick apart as a forward-thinking jurisdiction where all learners are supported to realise their ambitions in the 21st Century global community. Whilst the Committee accepts that there are cheaper models, these will not deliver the long-term investment required for the islands' future prosperity.
- 1.19 The creation of a post-16 campus, where a sixth form centre and The Guernsey Institute seek to maximise operational synergies whilst remaining separate organisations, recognises the increasing maturity of post 16 learners in the 21st Century. A 16-year old can get married, they can vote and they are acknowledged as

² <https://gov.gg/CHttpHandler.ashx?id=137889&p=0>

young adults. Post-16 education plays a vital role in building the human capital – the value of knowledge, skills and experience – of our young adults, which The Bailiwick’s economic recovery and long-term prosperity relies upon. This campus will give our young adults the right environment to thrive, where they will learn, develop and be supported alongside mature students of all ages.

- 1.20 Given the unique context of the Bailiwick and the interdependencies between our settings, collaboration across the islands’ schools is key. It is through collaboration that we ensure standards are continually improving, that we maximise innovation and provide for best practice to be shared for the benefit of all learners. As part of its model, the Committee is proposing that an 11-18 learning partnership is maintained and becomes the body responsible for the operational delivery of 11-18 education across the 11-16 schools and the Sixth Form Centre. This partnership currently exists in the form of the established Secondary School Partnership (SSP). This will provide a structure of support for the settings in the Partnership and allow for a move towards increased autonomy and accountability for the islands’ secondary school system. The Committee is keen to explore how a more appropriate governance structure could be implemented across the island’s education eco-system and the SSP will provide a mechanism to develop test an appropriate local accountability framework.
- 1.21 The benefits of the Partnership extend to the education workforce. By offering development across the secondary sector and the opportunity to teach all learners across Key Stage 3 to Key Stage 5, the Bailiwick will ensure that it attracts the very best teachers into our schools. Building the leadership capacity across the secondary phase through the SSP will also allow for effective succession planning so the islands can aspire to providing the very best education system. Importantly, the partnership model will bring our schools together for positive collaboration whilst also promoting the retention of their own unique culture.
- 1.22 The Committee firmly believes that its preferred model delivers a progressive and sustainable approach to secondary and post 16 education provision for the Bailiwick in the post pandemic context. The foundations of the model are rooted in ensuring the islands’ young people are provided with the right mix of educational opportunities to enable them to become successful. Consequently, the Bailiwick will benefit from a skilled and flexible workforce able to adapt to the changing demands of the employment market and this will build economic security for the island’s future.
- 1.23 As the preferred model has been informed by the views of the community and the education workforce, the Committee believes it to be a highly credible option with the support required for implementation. Additionally, the model accounts for the financial context and while any new infrastructure will require capital investment, the Committee’s preferred option for secondary education can be delivered on a revenue basis for no more than secondary education currently costs.
- 1.24 After the extended turbulence and uncertainty, this is the time for the States to act

decisively. The island's children and young people have been let down by consecutive Assemblies and a viable solution is long overdue. This policy letter sets out a model which proposes the aspiration and ambition the islands' learners are entitled to but also takes into account the current financial context. To further delay decision-making in this critical area of our island's provision is to further jeopardise the future of the island's prosperity and risks this Assembly alienating the community further. Now is the time for confident, assured and strategic decision-making to build public trust and deliver for our future generations.

2 Strategic Plans for Education

Education strategy

- 2.1 The delivery of an education system is about much more than the size and location of buildings and needs to account for a myriad of considerations, including how best to provide the knowledge and skills to equip all young people for life in a complex and fast-paced global community, and how to embed a lifelong love of learning to enable citizens to upskill and retrain over the course of their career.
- 2.2 Following its appointment in October 2020, the Committee began to shape its plans for education over the course of the next administration and beyond, in order to provide a foundation for developing an overarching strategy.
- 2.3 In order to deliver efficient and effective public services which meet local needs the States and its Committees must set out a roadmap of what is required to provide a high quality education system and how it intends to achieve these aims, and this is the purpose of the education strategy. Against the backdrop of unprecedented challenges both financially and in respect of Guernsey's population demographic, characterised by a falling birth rate and ageing population, it is more crucial than ever before to ensure that the journey to delivering excellence is clearly mapped out in a transparent way. The advantages of doing this reassures the community that the future of Guernsey and Alderney's education system is well governed, is committed to continuous improvement and has the best interests of learners at its centre.
- 2.4 For many years, the subject of education has been dominated by the transformation of secondary and post 16 education following the States' decision to move away from a selective system. Transformation has come to mean different things to different people and in recent years, debate has often focused on the infrastructure necessary to deliver secondary education for an all-ability cohort of young people.
- 2.5 This focus means that, too often, understanding the main purpose and function of the island's education system has become obscured by debate over geography or buildings. In some cases, public and political discussion has centred on operational matters; these are matters which must be in the hands of our leaders and staff in our education settings and should not be decided or operationally managed by those responsible for the strategic political direction for education.

- 2.6 This strategy will set out the priorities and commitments which will act as the roadmap for the Committee's wider objectives for the island's education system; it will ensure a clear focus on ambition and aspiration for all and allow for discourse to be elevated to address the importance of continuous improvement and it will also set out what can be expected by learners, their families and the community from the States' maintained education sector. Work on the strategy is ongoing but more information is available on the States website³

Local education offer

- 2.7 The starting point for defining the local education offer is set out in the Education (Guernsey) Law 1970, which articulates that The States of Guernsey has a duty to provide an efficient, effective and sustainable public system of education:
- For all Guernsey residents of compulsory education age, without payment for admission or education fees;
 - For all other Guernsey residents who desire and are able (financially and otherwise) to pursue such educational opportunities as the States can reasonably, and within available resources, provide; and,
 - Which sets out appropriate approval, inspection and oversight of independent educational establishments.
- 2.8 The current law does not however specify the characteristics of an efficient, effective and sustainable public system of education. The Committee will consider how best to address these important considerations as part of the review of the Education Law during this political term.
- 2.9 It is widely accepted however that successful education systems are underpinned by the principle that all learners should be able to access the highest standards of education possible within the resource constraints set by Government.
- 2.10 The benefits of a system which aspires to the highest standards and which is based on a culture of continuous improvement are far reaching and extend beyond the children and young people who learn and develop in this environment.
- 2.11 Learners in receipt of an education such as this are more likely to be equipped with the knowledge and skills required to help them realise their ambitions and become responsible citizens wherever they choose to make their life. The advantages of an aspirational learning environment also extend to staff who are able to develop professionally and grow their careers, and to the wider community which will benefit from lower crime, better health and increased civic involvement. When an education system succeeds, government expenditure on crime, social benefits and healthcare⁴

³ <https://gov.gg/educationstrategy>

⁴ <https://archpublichealth.biomedcentral.com/articles/10.1186/s13690-020-00402-5>

is reduced. The social impact⁵ of an excellent education investment in this most important area is significant.

2.12 The World Bank has recognised the importance of developing human capital in its 2018 report⁶ and the critical impact that education has on society. It summarises the approach from a moral perspective in terms of investing in the health and education of people but also “an economic one as well: to be ready to compete and thrive in a rapidly changing environment. ‘Human capital’ – the potential of individuals – is going to be the most important long-term investment any country can make for its people’s future prosperity and quality of life.” The Committee recognises the fundamental importance of investing in the education system in order to deliver positive benefits for the Bailiwick.

2.13 An ambitious and aspirational education system is the essence of the emerging education strategy for Guernsey and Alderney. The Committee’s ambition for education is that it should foster and build self-esteem, creativity and confidence so that all learners can flourish and thrive. It should equip learners with the knowledge and skills to help them to achieve their aspirations. It should instil a commitment to participate within the community as a responsible citizen; and it should be enjoyed so that we build a lifelong passion for learning. This sits at the heart of the new education strategy and will underpin the focus of activity across the sector. The priorities centre on:

- achieving **equity, safety and inclusivity**;
- **meeting the needs of our community**;
- delivering **high quality learning and excellent outcomes** for all learners; and
- **providing outstanding leadership and governance**.

2.14 The Committee has prioritised the principle of equity. It is not necessary to provide sameness in our education system, rather the priority should be to consider fairness so barriers to realising personal ambition are removed for all learners. The Organisation for Economic Co-operation and Development’s (OECD) definition of equity in education is that “personal or social circumstances such as gender, socio-economic status, migrant background, age, special needs, or place of residence, do not hinder the achievement of one’s educational potential (fairness) and that all individuals reach at least a minimum level of skills (inclusion)”⁷. Everyone has a right to access the knowledge and skills to improve their life chances and participate in society. By providing the island’s learners with an equitable experience we meet international standards and ensure all learners in our community are afforded the best opportunity to reach their potential.

⁵ <http://sites.cardiff.ac.uk/issw/>

⁶ <https://www.worldbank.org/en/publication/wdr2018>

⁷ <https://gpseducation.oecd.org/revieweducationpolicies/#!node=41746&filter=all>

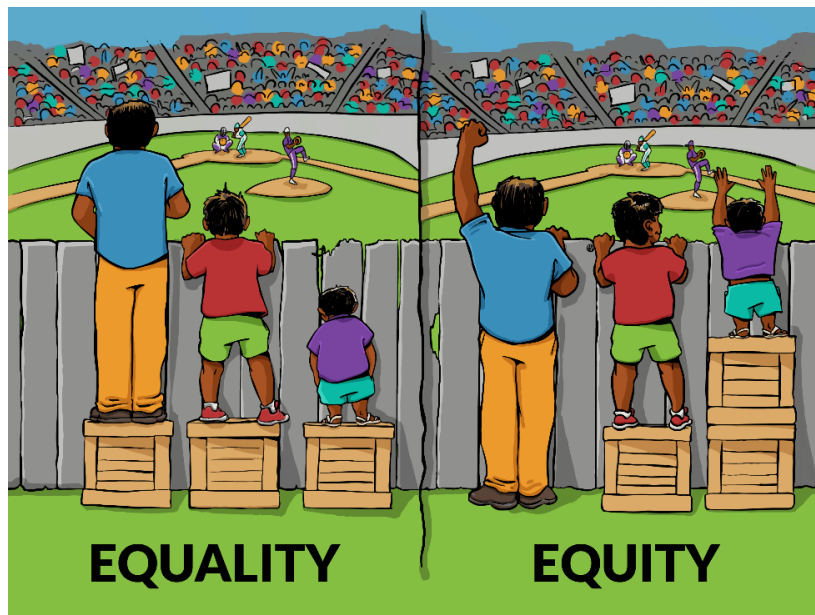


Figure 1: Equity versus equality⁸

- 2.15 Underpinning the four key priorities of the strategy are a series of commitments or promises which provide the detail about activities and measures of success which are ongoing across the education system. For example in order to ensure that the Bailiwick curriculum reflects the needs of all learners and is broad, diverse and ambitious, work will be ongoing with staff on curriculum development. The priorities and commitments are set out in figure 2.
- 2.16 The strategy will serve as a powerful framework for prioritising actions and resources and for reporting the system's progress against the Committee's ambitions, in order to make sure our education system continues to improve and facilitates the excellent outcomes our learners deserve.

⁸ <https://interactioninstitute.org/illustrating-equality-vs-equity/>



Figure 2: Education Strategy

- 2.17 The strategy is currently being developed in partnership with colleagues across the education sector and it is important to note that much of the existing practice across the profession is already aligned with the essence of the Committee's aspirations. The layers of detail which act as a foundation for the strategy are the appropriate place for describing how, for example, education settings will embed cultures and practices which promote inclusivity, and which facilitate the delivery of a broad and diverse curriculum for all learners.

- 2.18 It is essential however that learners, their families and the community understand that a system which delivers against these priorities over time, is what can be expected from States' maintained education. The Committee considers this to be the entitlement referred to in the Education (Guernsey) Law, 1970 as an "efficient, effective and sustainable public system of education."
- 2.19 An entitlement is a right provided to eligible individuals, a universal entitlement is access to a service or benefit for all citizens or a defined group which is provided more or less equally. Using this language in how we discuss education in Guernsey and Alderney demonstrates an approach where high standards are expected irrespective of aptitude or individual needs and which clarifies expectations for the community about the States' education 'offer'.

Support for learners with additional needs

- 2.20 Recommendations from the recent nasen review into SEND provision in Guernsey and Alderney highlighted the importance of providing "a clear and unambiguous expectation of the 'ordinarily-available provision' in schools [which] should provide absolute clarity for families, school leaders and teachers on what should routinely be provided in school and what might be provided centrally from other services."
- 2.21 As part of the local education offer in Guernsey and Alderney, learners with communication and interaction needs have access to Communication, Interaction and Autism Service (CIAS) support available to all schools via the advisory service and through bases located at Forest Primary School (currently located at Amherst Primary School), St Sampson's High School and La Mare de Carteret High School.
- 2.22 The nasen report went on to stress the importance that it should be common practice for every school to have a full time non-class based Special Educational Needs Coordinator (SENCO) who is part of the senior leadership team of schools so that learners with additional needs have an advocate at the highest level.
- 2.23 It was also explicit within the recommendations that the community should expect that "every teacher is a teacher of learners with SEND" and "every leader is a leader of SEND". The Committee has already stated its intention to implement the recommendations and they will be added as success criteria to the workstreams underpinning the education strategy. Importantly the community can be reassured that this support is included in the States' maintained local education offer.

Monitoring performance

- 2.24 As previously described, the strategy will provide the framework for reporting performance across the education sector. All current workstreams across the States' sector will be mapped against the commitments to ensure that operational activity meets the Committee's strategic priorities and Government Work Plan (GWP) objectives where appropriate. Workstreams will identify success criteria and Key Performance Indicators (KPIs) which will provide evidence of the impact of activity to

inform decision making. KPIs will be used to report performance to the Committee and where appropriate to the States and the community.

- 2.25 The performance of the education sector will also be monitored through a challenging new quality assurance framework delivered by the inspectorate Ofsted. The framework will evaluate the work of the island's schools and the College of Further Education (now part of The Guernsey Institute) on four key indicators including the quality of education and leadership and management. The inspections will result in judgements and reports which will help identify any areas for improvement and will inform the development of operational activity to be mapped against the strategic priorities. In this way a cycle of continuous improvement will become further embedded within the islands' education system.
- 2.26 The education strategy will formalise the Committee's aspirations for all learners across the islands and provide a common language to enable everyone to articulate how we make sure education in Guernsey and Alderney delivers what learners and the community needs it to. Through the strategy, the Committee will provide the tools to deliver an excellent education system. By targeting available resources to meet the priorities and commitments and through regular progress reporting, the community can be assured that the States' maintained sector will be of the highest possible quality. This is crucial not only to ensure we are delivering what our children and young people deserve and to secure the Bailiwick's future prosperity but also to guarantee against a backdrop of challenging fiscal circumstances, that public money is focussed where it will bring the most value and have greatest impact.

3 Policy Background

- 3.1 The Committee has inherited a complex and disparate policy legacy. Discussion and debate relating to the reorganisation of secondary and post 16 education dates back over twenty years to April 2001, when the former Education Council's proposals were rejected, a decision which triggered the building development strategy to ensure that facilities in the high schools were of equal quality to those in the selective schools.
- 3.2 There has been ongoing, often complex, debate regarding the future structure of secondary and post 16 education since this time, but no proposals for a delivery model have progressed to the point of implementation. The most recent States' decisions on secondary and post 16 education are summarised in Appendix 2. It is also of note that since January 2016, there have been four different Committees with responsibility for Education which demonstrates the high-profile nature of the role.
- 3.3 In October 2020, a new States was elected, and a new Committee took office. The global and local context into which the new Committee and the new Assembly have stepped is significantly different from previous substantive debates about the model of secondary and post 16 education.
- 3.4 The new Assembly faces unprecedented challenges in managing the ageing demographic, the ongoing impact of the COVID-19 pandemic and the implications of

two periods of lockdown in the Bailiwick, alongside the consequences of Brexit. The Committee has approached the development of policy proposals in respect of secondary and post 16 education against this changed landscape.

4 Context

Call to action

- 4.1 Setting conclusive and clear policy decisions on secondary and post 16 education has been on successive States' agendas over the last two decades, yet to date no recommendations have been agreed for long enough to be implemented. Education is an emotive subject impacting most of the community, and has vital links with the economy, wellbeing and social equality; consequently, passionate and strongly held opinions are fostered by different stakeholders and this influences decision makers, sometimes before political agreement can be translated into effective implementation.
- 4.2 The absence of a lasting decision has led to uncertainty for learners, education staff, parents and carers, and the wider community. While there is consensus that policy decisions of this magnitude should be carefully considered, there is no doubt that the States must now act so the strategic direction is determined, and plans can be implemented to bring certainty and stability.
- 4.3 Previous models, in particular the one school on two sites proposal, proved unpopular with teachers and with the community. Consequently, the Committee pledged to listen carefully to concerns by using survey feedback⁹ provided as part of the Secondary Review to inform its thinking. Debate has sometimes focused on what education systems work best in the UK and elsewhere, and while this benchmarking is important, our islands are unique; any potential solution must be appropriate for the local context.
- 4.4 There are diverse views of what constitutes the most effective model for secondary and post 16 education for Guernsey and Alderney. The Committee, through its engagement with the people who have knowledge and experience of teaching and of education systems, is proposing a model which it believes will give every 11-18 learner the best chance to flourish and thrive in an environment which builds high self-esteem and which develops creativity and confidence, and which provides access for learners to modern, high quality facilities.
- 4.5 Further delays to the development and implementation of a high quality secondary and post 16 education system will exacerbate uncertainty for teachers and staff, parents, carers and young people. Any delay in addressing the mismatch between the skills required for the island to prosper and what is taught to our future workforce will have potential implications for the economy¹⁰. Delays not only undermine the

⁹ <https://gov.gg/escsurveyresults>

¹⁰ <https://www.oecd.org/mcm/48116798.pdf>

public's confidence in this government's ability to tackle key policy issues that have a genuine impact on so many islanders. The ongoing uncertainty also diminishes the attractiveness of the island to those who want to relocate or return to live and work here, where the local offer is unclear and the model unresolved.

- 4.6 Most importantly, further delay could negatively impact upon what is every young person's right – their entitlement to the highest quality education possible in order to give them every chance to succeed in life.
- 4.7 The time to be decisive is now. The States' must seize this opportunity to resolve the ongoing uncertainty and make a real difference to people's lives. By supporting these policy proposals, Members will be taking the first step in establishing a secondary and post 16 education model that will enable learners to transition from a high-quality education experience into successful careers that will bolster and improve the local economy. Providing certainty about the re-organisation of secondary and post 16 education will translate into measurable benefits for the Bailiwick.
- 4.8 This is a call to action; now is the time to act.

Existing structure of secondary and post 16 education

- 4.9 The current structure of mainstream secondary and post 16 education in Guernsey consists of three 11-16 schools; Les Beaucamps High School, St Sampson's High School, La Mare de Carteret High School, an 11-18 school - The Guernsey Grammar School and Sixth Form Centre, and a separate College of Further Education (now part of The Guernsey Institute) for all vocational, technical and professional provision. The grant-aided Colleges, Blanchelande College, Elizabeth College and The Ladies College are also an important feature of the secondary education landscape in Guernsey. It is important to note their contribution and it is the Committee's intention that the positive working relationship with the Colleges will continue however, they are not included beyond this point in any references to secondary education in this policy letter.
- 4.10 There are unevenly distributed forms of entry with two of the four mainstream secondary schools currently operating under capacity. In Alderney, there is one all through school, St Anne's which educates learners aged 4 – 16. Young people from Alderney come to Guernsey to pursue post 16 education.
- 4.11 Access to good quality facilities across the current infrastructure is varied and therefore inequitable, which runs contrary to the Committee's aspirations for education. For example: the site at Les Varendes is the only secondary school with sixth form provision which results in financial and staffing advantages compared to other schools.
- 4.12 The current secondary education infrastructure comprises a mix of modern facilities and legacy buildings that are in poor condition. Both La Mare de Carteret High School and the three sites of the existing College of Further Education consist of ageing

buildings that are no longer fit for purpose for today's learners. Neither the condition of the buildings' fabric nor the facilities currently on offer are acceptable for the islands' learners.

- 4.13 The four secondary schools are individually led and managed by four Principals who form the Executive Leadership Team of the SSP, working collaboratively under the leadership of the Executive Principal.

Population decline

- 4.14 There is an anticipated overall decline in the secondary age population after a peak expected in the mid-2020s; the decline is rapid in the early-2030s and subsequently more gradual until 2050. In its assessment of the population data, the Committee recommends that the provision of additional building space for a relatively short-term population bulge is not prudent. To do otherwise would create significant but wasted capacity which is not an efficient use of public money. Further, the Committee's model is sustainable in light of the projected decline whilst also creating capacity should the population increase.

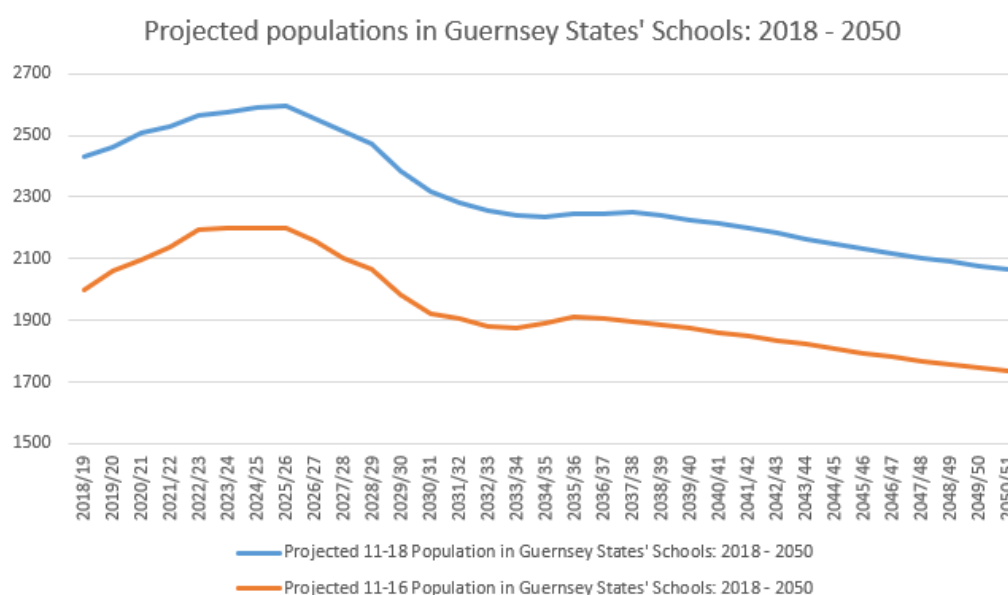


Figure 3: Guernsey Pupil Population 2018 – 2050. Data validated by States of Guernsey Data Officers in December 2020.

- 4.15 The long-term decrease in the likely demand for secondary school places is evidence for the case for change and the need for reorganisation. Schools which continue to operate below capacity are neither cost-effective nor the most efficient use of the estate. This is a further imperative to find a sustainable long-term solution for the structure of secondary and post 16 education.

Condition of La Mare de Carteret High School

- 4.16 It is well known that the La Mare de Carteret site is in a state of poor physical condition and has continued to be used many years after it was originally intended. Despite some recent remedial works, the overall condition of the site does not provide learners and staff with an equitable educational experience when compared to the facilities at the other three secondary schools. Additionally, there are substantial ongoing costs required to maintain a building which is no longer fit for purpose.
- 4.17 While it would be impractical to propose that all secondary schools have exactly the same facilities, the Committee considers equity of experience vital to its ambitions; this means that regardless of which school a learner attends, they should have access to a similar quality of educational experience, for example attending similar sized schools and accessing the same breadth of curriculum.

Financial pressures

- 4.18 It is evident from the detailed analysis recently undertaken that the current structure and arrangements for secondary and post 16 education do not represent an efficient use of public money across the current estate. Some of these inefficiencies have necessitated immediate attention to ensure best use of public funds, particularly in relation to forms of entry and the number of learners at which point a new class is created.
- 4.19 The budget for education must be used in a way which maximises opportunities for all children and young people across the whole education sector and which does this in the most equitable and efficient way. Importantly, expenditure on secondary and post 16 education must be viewed within the context of costs for the wider education system which spans primary through to the post 16 phase. The Committee has recently identified that there is inequity in how the education budget is apportioned across the different phases and is taking action to redress this imbalance now.
- 4.20 Beyond its own mandate the Committee is also acutely aware of the significant budgetary pressures that the States' now face as a result of the ageing demographic and the impact of COVID-19. Cognisant of these facts, the Committee believes that public money must be spent wisely without compromising on high quality educational provision.

Alignment with the Government Work Plan

- 4.21 The model for secondary education and post 16 provision is one of the proposed strategic recovery actions in the GWP¹¹ and aligns to the following outcome statements:

¹¹ <https://gov.gg/GWP>

Outcome statement	Description
Young people can achieve their potential	Educational inequalities generated by the pandemic are mitigated and opportunities for further education are available to all; and young people can successfully enter and progress in employment.
A resilient essential workforce	Employees in essential services are protected and the island is better positioned to train, attract and retain the employees needed in key areas.
A more cohesive and equal society	Social inequalities, and the resulting impact on health, employment, etc., will be reduced and all local people will have access to the necessary support to achieve positive results in participation, life satisfaction and self-esteem indicators.
Sustained employment and matching of skills	Full and productive employment, with a greater match between islanders' skills and available roles, enabling all islanders to reach their potential.

Table 1: Outcome statements aligned to secondary and post 16 education

- 4.22 Phase 2 of the GWP will be debated by the States at a special meeting on 21st July, 2021. A more detailed plan of the future policy and capital priorities for the current political term will be presented for debate and approval, and it is the aspiration that this process will confirm that the review of secondary and post 16 education and its implementation are high priorities for the Bailiwick. States Members ranked the resolution of secondary and post 16 education as one of their highest priorities in GWP workshops.
- 4.23 An additional recovery action to be proposed in the GWP is the development of a Skills and Lifelong Learning Strategy. This action will seek to transform the way that the Bailiwick develops its people over the next twenty years. The development of people in terms of their skills and learning is inextricably linked to the manner in which secondary and post 16 education is provided, so it is important that the proposed model is aligned to the outcomes for this strategy. It is the post 16 element of the new model which will contribute directly to the Skills and Lifelong Learning Strategy by creating a flagship hub of life-long learning for the island. This will support learners' progression from 11-16 education to the next stage of education, training and preparation for living in a global economy.
- 4.24 The States of Guernsey is committed to measuring its strategic performance in terms

of how it aligns with the UN Sustainable Goals. The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

- 4.25 Achieving the defined outcomes of the secondary and post 16 education review would align with Goal 4, Quality Education (“Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”), and Goal 10, (“Reduce inequality within and among countries”). The proposed model does this in two ways because it recommends the development of a new CIAS Base at Les Beaucamps High School, which will give further opportunities for helping learners who require additional support to thrive educationally. This will ensure there is equitable access to such a resource, with a CIAS Base located at each of the three secondary school sites whilst still ensuring continued support across all primary schools. Furthermore, co-locating the Sixth Form with The Guernsey Institute allows for equitable access to all school leavers from 11-16 education to a post 16 campus allowing for parity of esteem in pathways.

The case for change - summary

- 4.26 It is widely accepted that the status quo is not sustainable. The Committee has determined that given the current context, the case for change can be summarised as follows:
- The poor physical condition of the La Mare de Carteret site. It is not acceptable that some of the island’s learners are educated in accommodation which is not fit for purpose. This also applies to our workforce - it is not appropriate that teachers and school staff are expected to support our young people in legacy buildings which are past their usable lifespan.
 - The projected population decline. This requires a long-term sustainable strategy to be agreed to ensure the best use of the physical estate, infrastructure and public finances.
 - The inefficiencies of running three 11-16 schools and one 11-18 school requires urgent attention now, regardless of any re-organisation, to ensure that public money is spent fairly across the education estate. These inefficiencies are most starkly apparent in the current school population data which demonstrates the inequity of experience for each learner depending on the school they attend.

	Grammar	LMDCH	LBHS	SSHS	Totals
Year 7	67	88	127	139	421
Year 8	70	110	114	157	451
Year 9	73	101	101	142	417
Year 10	75	101	95	138	409
Year 11	84	86	90	136	396
	369	486	527	712	2094

Table 2: School population data 2020/21

Resolving the long-term physical delivery model will help to ensure that all resources are used to maximum effect to deliver the very best for every learner.

- The need for urgent budgetary changes within secondary and post 16 education as part of the Committee's overall strategy and aspirations for education considering the uneven distribution of funding across the education mandate. Recently completed detailed analysis highlights significant variations and inefficiencies across secondary revenue expenditure. Action is therefore required to help resolve wider budgetary challenges faced by the Committee. Urgent steps must also be taken within the Committee's existing annual budget to address the findings of the SEND review and to address other urgent priorities such as improved professional development opportunities and improving literacy and digital literacy. Action is necessary in both the short-term and the long-term to eradicate the existing budgetary inequity across the education mandate.
- Wider pressures facing the States of Guernsey as a result of the COVID-19 pandemic and Brexit. Recovery is a vital aspect of the GWP. The Committee is acutely aware of the need to look both strategically and forensically across all areas of funding streams to ensure money is spent prudently and efficiently and in a way in which maximises opportunity and success for every learner.
- The need to align with the priorities of the GWP. Education is an essential component of recovery by investing in our young people and will be able to contribute directly to the individual GWP recovery outcomes and outcome statements. The long-term strategy for secondary and post 16 education cannot sit in isolation to the States' strategic direction.

4.27 In outlining the case for changing the current secondary and post 16 education model, it is important for the States to understand that this is centred on the re-organisation of the current education infrastructure. Achieving excellent educational outcomes through continuous school improvement, the enrichment of learning, more effective collaboration between schools and stronger leadership will be delivered through the ongoing work of the SSP and the development and delivery of the education strategy.

5 Overview of Secondary School Partnership and Plans for Post 16 Education

Partnerships in Guernsey and Alderney

- 5.1 Partnership working across secondary schools has existed in the Bailiwick since 2014 when the Guernsey Federation of Secondary Schools was formally created. At this time, the Federation, including Alderney, was intended to deliver a collaboration which would champion enhanced leadership, with a stronger focus on teaching and learning and the sharing of best practice. It was also intended to enable more efficient and effective deployment of staff and other resources, improve educational outcomes and provide equality of opportunity for all students wherever they lived in the islands. One major change was the introduction of a common timetable framework which ensured all learners accessed 25 hours of education per week¹².
- 5.2 Following the States' direction to undertake a review of models in March 2020 it was agreed that the SSP would be created to bring clarity and direction under a collaborative umbrella. While the original intention of the SSP was to provide stability for the four mainstream secondary schools, since its creation, work has taken place to develop closer collaboration.

The 11-18 Secondary School Partnership current structure

- 5.3 Within the SSP, each school continues to maintain its own unique identity whilst leaders work together to develop joint approaches to improvement for the benefit of all learners. In practice, the following areas are priorities for the SSP Executive Leadership Team;
- promoting the highest possible teaching standards and student outcomes
 - ensuring achievement for students with special educational needs or disabilities
 - harmonising access to a broad and balanced curriculum and quality facilities
 - providing extra-curricular and enrichment opportunities
 - ensuring pastoral support and the wellbeing of students and staff
- 5.4 The Partnership is an established, cooperative working group which facilitates closer relationships to work through existing challenges such as recruitment, assessment and preparation for the new inspection regime. This partnership working has been particularly important in light of the challenges that schools have faced as a result of the COVID-19 pandemic, for example, enabling peer support for staff operating in unprecedented circumstances.
- Global and national partnerships

¹² <https://gov.gg/article/114991/Statement-on-progress-with-Guernsey-Federation-of-Secondary-Schools>

- 5.5 The Committee recognises the importance of partnership and collaboration in successful education systems. There are many examples of effective international partnerships with individual schools working under an umbrella organisation which share a common purpose, and principles. The International Schools Partnership recognises that ‘running a school is difficult, especially when you do not have access to further support, advice or funding’. For many standalone schools this is a reality. There are other successful school groups such as Education Leadership Trust which is a thriving cooperative multi academy trust in Manchester¹³. The vision sets out a strong emphasis on collaboration and cooperation between partners.
- 5.6 The role of partnerships in England has evolved since 2000 and they can take many different forms; formal with tight governance and accountability structures or more informal with opportunities to bring staff together to share best practice and expertise. These are sometimes also referred to as hard or soft partnerships. There are multiple terms used to describe the different styles of partnership, such as clusters, collaborations, networks, federations and trusts.

Partnership drivers and benefits

- 5.7 One of the original drivers for partnerships in the complex landscape in England was to create a self-improving system on the basis that schools would “work with, learn from and support one another to develop localised solutions to the challenges they might face” with a focus on “specific strategies for improvement, more willing distribution of professional knowledge and schools sharing resources more efficiently than they might previously have done”¹⁴. Over the past fourteen years, there have been two key research papers which have reviewed school partnerships. Both papers, “Inter-school collaboration: a literature review, NFER, Queen’s University, Atkinson et al 2007”¹⁵ and “Effective School Partnerships and collaboration for school improvement, DFE, Armstrong 2015”¹⁶ outline some of the key shared areas and collaborative activities which drive partnerships to exist, and some of these are listed below:

- Raising achievement/attainment
- School improvement/raising standards
- Sharing good practice/professional expertise
- Inclusion
- Enriching learning opportunities
- Sharing facilities/resources

¹³ <https://www.eltrust.org/>

¹⁴ [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/467855/DFE-RR466 -
_School_improvement_effective_school_partnerships.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/467855/DFE-RR466_-_School_improvement_effective_school_partnerships.pdf)

¹⁵ <https://files.eric.ed.gov/fulltext/ED502393.pdf>

¹⁶ [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/467855/DFE-RR466 -
_School_improvement_effective_school_partnerships.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/467855/DFE-RR466_-_School_improvement_effective_school_partnerships.pdf)

- Economic/financial benefits
- Instigating change/reform
- Collaborative planning/systems/approaches
- Innovation
- Teacher recruitment and retention

5.8 With the benefit of having evidence for success in other jurisdictions as well as the underpinning rationale for the creation of a partnership, the opportunities for collaboration and continuous improvement are viewed as essential drivers, and collaboration is key in the education toolkit in England. The Committee is of the view that the existing SSP in Guernsey can build upon the collaboration already in place and to grow and develop further in order to capitalise on the opportunities which are created through effective partnership working.

Governance

5.9 There is a significant difference between the context for school partnerships in England and that of the Bailiwick and this is the level of autonomy and accountability which rests at school level. The Committee currently acts as governing body to all schools. This is not a practical situation, and the Committee has already confirmed that it will investigate a more appropriate framework for education governance over the coming months in order to contribute to a self-improving system. Further, the Committee recognises that within the current unique structures of governance locally, the potential is limited by the extent of central control. The Committee believes that empowering the leaders of our schools to really lead improvement is crucial to ensure educational outcomes for the island's children and young people are the very best they can be.

5.10 An appropriate framework across secondary education is required to support devolution. The evolution of the SSP, led by an accountable leadership team is part of a move towards effective governance and greater delegation which the Committee will actively progress. This increased delegation through the SSP will give secondary leaders autonomy to make decisions which are in the best interests of learners across the 11-18 partnership but at the same time will provide a framework for accountability to the Committee for the performance of their schools.

5.11 The Committee also notes the very real benefits in building leadership capacity which are delivered through joint leadership training and development. In a small jurisdiction such as Guernsey with a limited pool of staff, sustainability through succession planning is essential to delivering the very best secondary education system possible. It is anticipated that the SSP will also provide the opportunity to deliver more targeted Continuing Professional Development (CPD) across the secondary sector and play an important role in continuing to attract talented teachers to work in the islands' schools.

Meaningful engagement and consultation through partnership development

- 5.12 Once the long-term physical structure of secondary education is determined by the States, it is the Partnership working in close collaboration with The Guernsey Institute, which will support the Committee's overall strategy in achieving an ambitious and aspirational education system. As described in previous sections, the SSP provides a vehicle through which greater autonomy can be delegated and through which ongoing improvement can be sustained. The SSP will support the Committee's overall education strategy and priorities, irrespective of the infrastructure model.
- 5.13 The Committee's responsibility is to set strategic direction and ensure that this is implemented, therefore it has intentionally not sought to look beyond the strategy and policy for secondary reorganisation at this stage. This is because effective government is based on a system where it is the responsibility of the Politicians to establish the vision and where effective and professional delivery of these ambitions is entrusted to the skilled staff who are best placed to translate this into action. In this case it is the islands' education leaders who have the technical knowledge about what is optimum for our children and young people, and it is the SSP leadership team who will address any operational challenges that schools face within the Partnership whilst developing the best possible provision and pastoral care for every young person within the Partnership settings.
- 5.14 It is accepted that previous models have unravelled at the point at which the implications of operational detail become visible and have subsequently led to political intervention. However, the difference now is that while the Committee recognises the need to work at pace to provide certainty for the community, there is sufficient time to allow for meaningful consultation and engagement to be built into the delivery plan.
- 5.15 The Committee firmly believes that robust consultation and engagement regarding the structure of the Partnership must be undertaken as part of the implementation period and this will provide the necessary time and space to work through the detail of governance and accountability structures with relevant stakeholders. At this time, there will also be genuine opportunities to work in collaboration with educational leaders and staff to determine what the Partnership will look like from an operational perspective. As part of this work, the Committee will explore a number of key areas with school leaders including:
- Budget delegation
 - The management of staffing, recruitment and deployment across the 11-18 phase
 - Continuing professional development
 - Leadership development and succession planning

An 11-18 Secondary School Partnership for Guernsey

- 5.16 Within the context of secondary re-organisation, it is important to note that the delivery of secondary education will be through an 11-18 framework across three 11-16 schools and a separate sixth form centre. The Partnership will play an essential role in ensuring that staffing is deployed across all sites to ensure the best possible pastoral support and academic provision for all learners.
- 5.17 The 11-18 Partnership will act as a focal point for recruitment, ensuring that Guernsey continues to attract the widest possible pool of staff to its 11-18 settings. It is anticipated that the SSP will support succession planning across all leadership and curriculum areas, ensuring that there are a range of staff who are able to teach across Key Stage 3 to Key Stage 5.
- 5.18 Under any partnership model, the Committee believes it to be essential that individual schools should maintain their unique culture and character. However, it also recognises that close collaboration at Headteacher level will be vital to ensure effective staff deployment across the 11-18 partnership and a continued focus on sharing best practice, shared professional development opportunities and continuous improvement. Partnership working also allows our profession to develop a strategic view of the education system across the islands.

Vision for the Post 16 Learning Environment

- 5.19 The Committee is ambitious in its plans for secondary and post 16 education and believes that the post 16 sector is pivotal in equipping the Bailiwick's young people with a high quality of knowledge and skills in preparation for their next step in life. Parity of esteem for academic and vocational pathways is crucial in ensuring young people make the right choices to realise their aspirations, develop a lifelong passion for learning and become valuable contributors to their communities. This principle sits at the heart of the Committee's model.

Progression routes of equal value

- 5.20 Unfortunately, in Guernsey, as is in some other jurisdictions, it has not always been the case that post 16 progression routes into academic or technical and vocational pathways have been viewed as equivalent.¹⁷ By being on a shared site, the new post 16 campus will re-position technical, vocational and academic pathways as routes of equal value within the Bailiwick and allow for greater collaborative opportunities between The Guernsey Institute and the Sixth Form Centre.
- 5.21 In Guernsey, this is in part likely to have been a direct result of the significant discrepancy in the accommodation provided for the College of Further Education which has been described as 'some of the least fit for purpose, most dispersed and uninspiring further education spaces that we have ever seen in the sector' by Peter

¹⁷ <https://nfer.ac.uk/changing-attitudes-to-vocational-education>

Marsh Consulting¹⁸ - and, in part, from the island's long standing history of selection at 11, with sixth form provision as part of the Grammar School. The Committee believes that it is essential to address this discrepancy in the quality of facilities but also to recognise that technical and vocational qualifications are of equal value and to ensure that there is parity of esteem for different pathways at post 16.

- 5.22 The quality of post 16 education and diversity of offer is crucial both for individual learners and the future prosperity of the island. It is essential that students moving on to post 16 education have the opportunity to select from a broad range of options including academic, vocational and technical qualifications, and that the principle of lifelong learning is embedded to enable adults to retrain and develop new skills as the island's employment market changes over time. Developments in industry and in the delivery of learning have made blended learning increasingly appealing to employers and learners. Choice at 16 is essential.
- 5.23 Making this more visible to all post 16 students will encourage them to pursue further and higher education and training opportunities throughout their lives. It will also help them make an informed decision about what is the most appropriate post 16 choice for their unique circumstances. All learners will benefit from being part of a campus which also encompasses higher education and training, providing a broader range of role models to inspire more students to go on to study or train at a higher level.

Proposed model

- 5.24 The Committee's proposals for future post 16 provision are to create a brand new, fit for purpose campus for all post 16 education, providing a mature adult learning environment with bespoke, high quality facilities for both further and higher education. This will provide the opportunity for all learners to exploit their abilities without being stereotyped. It is essential that vocational and academic pathways should be available as far as possible to all students who have the desire, commitment and aptitude. Standard entry requirements for courses at the same level at the College of Further Education (now part of The Guernsey Institute) and the Sixth Form Centre are already in place, and both academic and vocational and technical qualifications can facilitate access to higher education. Academic, vocational and technical qualifications should be considered as pathways with parity, and students should feel empowered to make a positive choice about the route they follow and ultimately, their chosen career path.
- 5.25 The island's young people may follow a broad range of pathways across two distinct organisations, they will have access to shared facilities to study, eat, socialise and participate in sport as they will no longer be educated at separate locations at 16. If the Committee's policy proposals are approved by the States, consultation will take

¹⁸ <https://gov.gg/CHttpHandler.ashx?id=120436&p=0>

place with key stakeholders from schools and The Guernsey Institute to determine how best this can be delivered.

- 5.26 The Committee's preferred option will also support the availability of progression routes and crossover pathways for more students such as opportunities for some students to take A Levels alongside a specific vocational qualification and vice versa. Current arrangements create a barrier between academic and vocational and technical pathways, which limits the potential of young people to access mixed provision to suit their talents. Locating both the Sixth Form Centre and The Guernsey Institute on the same site will make it easier to facilitate programmes of study which combine academic and vocational and technical options in the future, building on the success of the International Baccalaureate Career-related Programme launched in September 2020. This will allow more flexibility to ensure that provision can be responsive to future skills gaps and the needs of employers.
- 5.27 The Post 16 Campus will act as a centre of ambition and aspiration for all learners progressing from the 11-16 schools including those from St Anne's in Alderney. The new model will provide the opportunity for all learners to begin their post 16 journey from an equal starting point. They will graduate from their school to the campus, irrespective of their circumstances, to join a mature, adult learning environment which will prepare them for their next steps in education or work. As the focal point on the island for all further education, higher education, training and skills and the careers service, all learners will benefit from a dynamic environment with the support of staff from both the Sixth Form Centre and The Guernsey Institute working in close collaboration to ensure all provision enables lifelong education and career progression.
- 5.28 Facilities on the same site will allow opportunities for students to access shared extracurricular or enrichment activities, allowing young people to retain connections with their peers across the campus. Consultation will take place with staff and students about how this may best be approached in the future. Co-location will also enable more operational flexibility, for example by centralising delivery of examination resits.
- 5.29 The Committee accepts that the 11-18 Partnership and the deployment of staff across 11-16 schools with a separate sixth form centre represents a substantial change from current operating procedures. It is not an operational model which has existed in Guernsey previously. It is important to note, however, that this is a model which operates highly effectively in many other jurisdictions such as Ireland, England and Wales. Training and external subject matter expertise will be provided to support the Partnership to develop proficiency in this area and to make best use of advances in new technology to support more efficient ways of working.
- 5.30 The Sixth Form Centre and The Guernsey Institute will remain operationally separate organisations, due to the need for staffing to be deployed most efficiently between the 11-16 schools and the Sixth Form. The SSP is fundamental to the success of

delivering 11-18 education and the staffing of both the Sixth Form provision and the 11-16 schools will form an integral part of the Partnership.

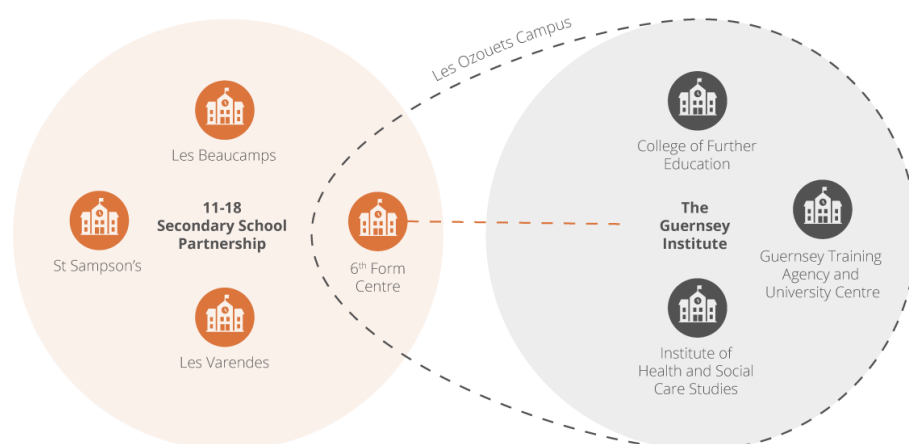


Figure 4: The Secondary School Partnership and The Guernsey Institute

- 5.31 Potential synergies and ways of working together between the Sixth Form and The Guernsey Institute, for example shared dining facilities, shared use of sport facilities and the learning resource centre are already being explored to ensure that the greatest possible benefits are realised, and that expenditure is managed as efficiently as possible. It is anticipated that these mutual benefits will evolve over time as a result of input from and consultation with leaders, staff and students.

Post 16 or 11-18

- 5.32 It is accepted that it is possible to find data and evidence to support any of the potential models for secondary education and as has already been frequently emphasised, there is no one model of secondary and post 16 education that will benefit from universal support, either within the sector or more widely across the community.
- 5.33 It is also clear that because of the complexity of education systems, it is not possible to claim that one model is 'better' than another because many different models work in many different countries and often there are different models used within the same country which lead to excellent outcomes. What is crucial is to identify a model which can deliver excellent outcomes for children and young people in the context of Guernsey and Alderney and which meets the aspirations of the community, creating an education system which is forward looking and fit to meet the challenges of the 21st Century.

International and English data

- 5.34 The OECD Programme for International Student Assessment (PISA)¹⁹ examines what students know in reading, mathematics and science, and what they can do with what they know. It provides the most comprehensive and rigorous international assessment of student learning outcomes to date. Results from PISA indicate the quality and equity of learning outcomes attained around the world and allow educators and policy makers to learn from the policies and practices applied in other countries. It is of note that the majority of the top performing countries for reading (which was the OECD focus in 2018) share similar arrangements for the structure of secondary and post 16 education. Typically, these countries have separate institutions to deliver further education,²⁰ though in some instances the transition is at 15, in upper secondary schools, vocational schools, training colleges or high schools.
- 5.35 It is interesting to note that many other jurisdictions separate post 16 education. The Committee is therefore reassured that it is adopting a model for secondary and post 16 education which is used effectively elsewhere.
- 5.36 Conversely, evidence has previously been circulated which shows that 11-18 schools appear to outperform 11-16 schools in the top 100 schools for Attainment 8 in England. This evidence has been reviewed and the conclusion is that this is a simplistic way to interpret the complex nature of data in English schools where results are measured in different ways through Attainment 8 and Progress 8 and this is outlined in Appendix 3.
- 5.37 The Attainment 8 data from 2019 for the 11-18 and 11-16 schools places them both in line with the national average with a marginal difference. Within that range, there are 11-18 and 11-16 schools performing exceptionally well, as well as schools performing exceptionally badly. It will be important for the SSP to remain outward facing and to learn from the very best of some of those highly successful 11-16 schools.

Recruitment

- 5.38 One of the arguments presented in support of 11-18 schools is that in an environment where there are both 11-16 and 11-18 schools, the 11-18 schools will have better recruitment options because more teachers want the opportunity to teach A level students. It is important to note that where appropriate recruitment for secondary schools in Guernsey currently takes place under the umbrella of the SSP and it is intended that this will continue. The reality is that some staff will naturally

¹⁹

<https://www.oecd.org/pisa/PISA20201820Insights20and20Interpretations20FINAL20PDF.pdf>

²⁰ https://eacea.ec.europa.eu/national-policies/eurydice/national-description_en
and <https://ncee.org/center-on-international-education-benchmarking/>

prefer to teach in 11-16 schools whereas others will prefer to teach the full age range up to 18.

- 5.39 The future structure of secondary and post 16 education is designed to ensure that the SSP can recruit across all schools in Key Stage 5 as required. This will ensure that the Partnership continues to attract staff who wish to teach across the 11-16 and the 11-18 age range. It is important to note that one of the greatest factors in what motivates staff to apply for a particular post, is the quality of the school itself. Good schools attract talented staff.

Role models, leadership and aspiration

- 5.40 A further stated advantage of 11-18 schools is that they benefit from older role models in the sixth form. It is accepted that sixth form students can and do act as role models for younger learners, however, this excludes other exceptional students who go on to study technical or vocational subjects. The Committee believes that learners in Year 11 are able to provide equally good leadership and act as role models for younger students, in fact this already occurs in three of the existing secondary schools.
- 5.41 The concept of all learners graduating to a post 16 campus will develop a greater shared sense of ambition and progression for all. An integral feature of the new model will be the need for the existing Post 16 Strategy Group to continue to collaborate between the SSP and The Guernsey Institute to provide meaningful opportunities for interaction between school age and post 16 learners and employers to promote a culture of lifelong learning, aspiration and ambition.

Post 16 conclusions

- 5.42 Preferences for 11-16 or 11-18 schools are often based upon a personal philosophy or personal experiences of teaching or school attendance and consequently there is often an understandable subconscious bias. However, it is clear to the Committee that it is not a simple binary choice. The decision needs to be based upon delivering the best possible solution for Guernsey's unique context, taking into account the many different challenges facing the Bailiwick such as providing equitable experiences for all, the declining pupil population and reduced financial resources.
- 5.43 The Committee considers that there is no perfect solution which will satisfy everyone, in part as a result of Guernsey's scale and size. The Committee is clear in its belief that it is the quality of the school leadership and the staff that makes the biggest difference as to whether a school is successful, rather than whether it is an 11-16 or an 11-18 school.
- 5.44 Having reviewed the English data and international evidence, the Committee remains convinced by its decision to create a post 16 campus. The English data does not provide a sufficiently compelling reason to discount 11-16 schools as a successful way to deliver secondary education.

5.45 The creation of a post 16 campus aligns with the wider strategic plans for Guernsey through its contribution to the Skills and Lifelong Learning Strategy. This is a proposed recovery action in the GWP and will be undertaken as part of strategic collaborative work across several Committee areas. The Strategy will:

- establish a clear path to upskilling for businesses and individuals, with co-investment funding from government.
- enable community access to broad digital training in addition to employment-based programmes.
- provide the foundation for the Bailiwick to be an attractive and competitive jurisdiction for business, because of the growth of its digitally enabled and innovative workforce.
- support a prosperous economy in a community able to provide the many services that are required for a modern society in terms of healthcare, construction, utilities, hospitality, agriculture, retailers, mechanical and technical services.

5.46 The Skills and Lifelong Learning Strategy is aligned with the Committee's Education Strategy and with its ambition for the post 16 sector; to provide the Bailiwick's young people with a high quality of education and skills in preparation for their entry to the workforce and future contribution to the community and the economy.

5.47 The Committee recognises that the quality of post 16 education is critical both for individual learners and for the future prosperity of the island. The creation of a brand new campus which accommodates all post 16 education means that all adult learning will be delivered in an environment with bespoke, high quality facilities for both further and higher education. The shared campus will facilitate programmes of study which combine academic and vocational and technical options in the future, building on the success of the International Baccalaureate Career-related Programme (IBCP) launched in September 2020. This will allow more flexibility to ensure that provision can be responsive to future skills gaps and the needs of employers and will contribute directly to a culture of life-long learning for the Bailiwick.

6 Committee's approach to determining the future of secondary and post 16 education

Summary of the approach to the review of models

6.1 Guernsey's General Election took place on 7th October, 2020. The current Committee was elected on 21st October, 2020, with several members having explicitly stated in their manifestos that they rejected the one school on two sites model. The Committee firmly believes that the results of the election demonstrated a preference among the community for delivery of secondary and post 16 education over three or four sites.

6.2 Following their election, the new Committee took ownership of the secondary review

which was commenced in March 2020. The models identified for inclusion were determined by the previous States and did not include the model that the new Committee considered to have the greatest potential: three 11-16 schools and a sixth form co-located with The Guernsey Institute. Conversely, the review did include models which the Committee considered it would be impossible to implement in Guernsey, including the previously proposed one school on two school sites model. Given the urgency required in determining a new model for secondary and post 16 education delivery, the Committee was keen to ensure that no further time was expended developing models which could not be implemented and for which there was no mandate.

- 6.3 An interim report of the work completed under the previous Committee was circulated to all members of the previous States' on that Committee's last day in office. The report contained a summary of the work completed up to the point of the change in Committee, including a summary of how specific versions of each of the models analysed were selected. The report also included comparative information on capital costs based on applying the assumptions underlying the one school on two sites model to each of the other models in order to provide the same facilities on each site. Although the current Committee has changed the direction of the review, this report is included in Appendix 6 in the interests of transparency.
- 6.4 Further, the like for like comparisons which had been provided as part of the interim report were based on the same set of assumptions which were included as part of the planned one school on two sites model, and the Committee wished to vary some of these. For example, all models previously included in the review were based on an assumed capacity of 20 forms of entry across the secondary education estate. Having reviewed the most recent long-term population projections, which show an expected decline in the secondary school population from a peak of 2600 in 2026 to approximately 2200 by 2040, the Committee considers that this would require unnecessary capital expenditure at a time when the island is facing greater financial pressure. The Committee therefore decided that the future model should be based on 18 forms of entry rather than 20.
- 6.5 The Committee considered it an inefficient use of time to redo work based on the previous set of assumptions and decided instead to narrow the scope of the review to focus only on models considered to be viable options, rather than adjusting the timeline of the review to provide information about models which were not considered viable.
- 6.6 These options were determined through the Committee's Guiding Principles, as set out in Table 3, which were based in part on feedback provided by staff through the surveys, as set out in Appendix 4. Three options were developed and compared, and the selected option, based on the Guiding Principles outlined by the Committee, will be compared to current provision rather than to the set of assumptions underlying the one school on two sites model.

Guiding Principles

- 6.7 In order to determine the future structure of secondary and post 16 education, the Committee has adopted a strategic approach to its decision making. Alongside developing its wider strategy, it is important that an agreed set of guiding principles support the decision-making processes and final recommendations to ensure that a pragmatic and viable solution is recommended. The Committee has spent considerable time reviewing the findings of the staff survey undertaken as part of the review which provided insight into the aspirations of the profession for any future model. This initial thinking was shared in a presentation and workshop to States Members on 7th December, 2020.
- 6.8 Following this workshop, the Committee held a full day workshop on 7th January, 2021 with a range of key stakeholders present:
- All Committee members, including the newly appointed non-voting member
 - Representatives from the Policy & Resources Committee (P&RC)
 - Senior educationalists from further and higher education, secondary education, and the curriculum and standards, SEND and Inclusion teams
 - Representative from the States' Senior Leadership Team
 - Officers from the project team, the States' central Strategy & Policy team, and the States' Communications team
- 6.9 The workshop considered a number of key areas including the survey findings, the projected pupil population decline, the implications of changes to the class size policy for the number of forms of entry required, breadth and flexibility of curriculum offer, feedback from the States' Members workshop and the wider financial challenges facing the States of Guernsey. Following substantial debate and discussion, the Committee agreed the following Guiding Principles for Secondary and post 16 education:

Principle	Description
<p><i>A solution which provides greater equity for post 16 education and training and in which the Sixth Form is not split</i></p>	<p>The Committee wants to ensure that the future model provides greater equity for post 16 education and training: it considers it essential to ensure parity of esteem for academic, vocational and technical qualifications, to ensure more students are able to follow mixed pathways in order to best meet their interests and aspirations and to provide students with a more adult environment which will support them in moving into the workplace and making a positive contribution to our island in the future. The Committee's ambition for the future post 16 campus is set out in section 5.19.</p> <p>The Committee is also keen to ensure that the Sixth Form is not split, and that all Sixth Form students remain on one site. This is based on feedback from staff, in which 81% of secondary staff considered it essential, highly desirable or desirable that the Sixth Form is not split.</p> <p>This will maximise possible option combinations within any given breadth of curriculum, avoiding the need for Sixth Form students to travel between sites in order to take their first choice combination of subjects.</p>
<p><i>A solution that delivers improvements in equity</i></p>	<p>The Committee does not consider it essential for exactly the same offer and facilities to be provided on each secondary school site: instead, the priority should be improving the quality of education on each site individually. For several reasons, the Committee does not consider the current secondary and post 16 education offer to provide equitable provision:</p> <ul style="list-style-type: none"> ○ Some students attend an 11-18 school and others attend 11-16 schools ○ Students attend schools of significantly varying sizes, with cohort sizes in current secondary schools ranging from 67 to 163. This affects the breadth of the curriculum offer to which students have access, in addition to opportunities for grouping of students. ○ Some students attend a school with significantly poorer quality facilities than students on the other sites.

Principle	Description
<i>A solution that is reflective of the prevailing economic opportunities and limitations of the current financial climate</i>	Any potential future model of education needs to be considered in the context of the current financial climate, both in terms of capital and revenue expenditure.
<i>A solution that is deliverable in a realisable timeframe whilst being mindful of disruption to the school community and which can be easily understood by all stakeholders</i>	There is a clear need for certainty for learners, parents and staff about the future of secondary education, and for a new model to be delivered as soon as practicably possible, without a long and drawn-out transition period. It is essential that disruption to the school community during the transition to the new model is minimised, and considered as part of decisions on future sites, the extent of work to be carried out on each site, and the transition model for students.

Table 3: The Committee's Guiding Principles

6.10 The Guiding Principles support the decisions which the Committee has made in relation to the future structure of secondary and post 16 education. The Committee is clear in its view that it is the SSP which will deliver the outcomes of the Committee's strategy and aspirations for secondary education. It is through the SSP that improvements and developments will be led, alongside robust challenge and support from the central education team. Relevant aspects of operational decision-making relating to the development of the SSP will take place with key stakeholders following States' approval of the overall strategic policy direction. The HM Treasury Business Case process will include consultation and engagement alongside ongoing challenge from P&RC. This is integral to the Business Case aims of ensuring best value for public money and that the benefits of the policy proposals are realised.

7 The Committee's Preferred Model

7.1 The Committee's preferred model is:

- **Three schools, each with six forms of entry with a capacity for up to 780 students**

7.2 The Committee proposes that these should be based at St Sampson's, Les Beaucamps and Les Varendes. Each school would have theoretical capacity for up to 780 students, but projections based on the draft new feeder school model indicate a maximum of 720-740 on each site after the transition period has ended.

- **A single post 16 campus, accommodating both The Guernsey Institute and the Sixth Form, at Les Ozouets.**

- 7.3 This will allow the Committee’s ambitions for post 16 education, as set out in section 5.19, to be delivered.
- 7.4 There is no change proposed to the organisation of schools for learners with the most complex needs which will continue to be delivered at Les Voies and Le Murier. It is widely accepted that these schools, along with Le Rondin, provide a high quality of support for learners with SEND and this was recently recognised in the review undertaken by nasen²¹. The Committee’s preferred model will continue and extend this support to learners with additional needs who attend the island’s secondary schools.
- 7.5 This model is viable within the current financial climate and, subject to States’ approval in both July 2021 meetings, can be delivered by September 2024 with minimal disruption to students in existing 11-16 schools.
- 7.6 The Committee has carried out a thorough analysis of the different models for secondary education and more detail about how the Committee determined its preferred model can be found in Appendix 4. A summary of the evaluation grids against the Committee’s Guiding Principles are set out below.
- 7.7 The potential future models of secondary and post 16 education included in the previous Committee’s review were evaluated in light of the current Committee’s Guiding Principles. The extent to which each model meets the Guiding Principles is summarised in the table below.

²¹ <https://gov.gg/CHttpHandler.ashx?id=137889&p=0>

	Two 11-18s	Three 11-18s	One 11-18 and two 11-16s	Three 11-16s where one has a co-located Sixth Form	Three 11-16s and a Sixth Form on a current secondary site ('Do minimum' option)	Three 11-16s and a Sixth Form co-located with TGI
Greater equity for post 16 education and training	No	No	No	No	No	Yes
Sixth form not split	No	No	Yes	Yes	Yes	Yes
Improvements in equity	Yes	Yes	No	No	Yes	Yes
Reflective of current financial climate – capital	The modelling carried out under the previous Committee was based on assumptions which the current Committee believed to be flawed and so no comparisons of these models were made on a cost basis.					
Reflective of current financial climate – revenue						
Deliverable in realisable timeframe	Yes	Yes	Yes	Yes	Yes	Yes
Mindful of disruption to school community	No	No	Yes	Yes	Yes	Yes

Table 4: Extent to which each of the potential models meets the Committee's Guiding Principles

Evaluation of models against Guiding Principles:

7.8 The Committee reviewed the underlying assumptions which were used as part of the previous Committee's review and concluded the following:

- It is more pragmatic to plan for a total capacity of 18 forms of entry in each cohort across the 11-16 schools, rather than the previous Committee's

plans for 20 forms of entry. Changes to the class size policy which are already being introduced mean this is achievable sooner than it would have been otherwise.

- 18 forms of entry still allow a greater level of equity across three schools because all three schools can be treated as six-form entry schools and consequently can offer the same breadth of curriculum. This is consistent with the Committee's principle to improve equity across schools and to address the current inequity of provision, particularly for GCSE subject choices in Key Stage 4 where there are differences across the schools now, meaning that it is not possible for all learners to access the same curriculum provision.
- The previous Committee's modelling was based on a principle of equality of resources and facilities which this Committee does not consider to be pragmatic, particularly given the current financial context.
- It is not necessary for each school to have identical facilities or for each school to be built to exactly the same space standards: instead, being mindful of the financial pressures the island is facing, the priority should be to consider each site individually and fund changes which are necessary to allow the building to meet the required standards to continue to deliver 11-16 education well into the future.
- It is important to be mindful of the disruption that significant development work would cause given that schools will continue to be operational.

7.9 As outlined above, the Committee directed that updated financial modelling be based on these new assumptions, with the assumptions for revenue modelling being based on current provision rather than the assumptions made for the one school on two sites model. The new baseline provides a more realistic and pragmatic approach and provides assurances that any of the models considered further by the Committee can be delivered within the existing budget for secondary education.

7.10 Once the modelling had been carried out using the new assumptions, the Committee examined the updated capital and revenue cost information and considered each model at length in light of its Guiding Principles and the additional analysis. A summary of this information is shown in table 5 below.

	Three 11-16s at LBHS, SSHS and LV and a Sixth Form co-located with TGI	Three 11-16s at LBHS, SSHS and LMDC and a Sixth Form co-located with TGI	Three 11-16s at LBHS, SSHS and LV and a Sixth Form co-located at LV
Greater equity for post 16 education and training	Sixth Form and The Guernsey Institute located on the same site - creating post 16 “campus”, contributing to parity of esteem and facilitating mixed programmes.		Sixth Form and The Guernsey Institute located on different sites as now.
Sixth Form not split	Sixth Form not split across more than one site.		
Improvements in equity	Improvement in equity because all students are in fit for purpose buildings in schools of the same size, able to offer the same breadth of curriculum		One school will have a co-located Sixth Form: more students on site, potential advantages if there is shared staffing and risk of perceived inequity.
Reflective of current financial climate - capital	Yes	No	Yes
Reflective of current financial climate - revenue	Deliverable for no more than the current level of expenditure		
Deliverable in realisable timeframe	September 2024	September 2025	September 2025
Mindful of disruption to school community	Potential disruption at Les Varendes as works required while students are on site	No internal works required while students are on site	More significant works required at Les Varendes while students are on site

Table 5: Evaluation of models included in further analysis against the Committee’s guiding principles

Transition from the current model to the preferred model

- 7.11 Given the Committee’s principle to be mindful of disruption to existing school communities, the Committee considered various options for the transition of learners and staff from the current model of secondary education to the preferred

future model. The Committee's preferred transition and feeder primary model details are set out below, but this model will be subject to further consultation and engagement with senior educationalists, primary school Headteachers and secondary school Principals prior to a final decision being confirmed. Key stakeholder groups will be consulted during the transition phase as the detailed transition plans are developed.

Secondary School	Feeder Primary Schools from September 2023
Les Beaucamps	Castel, La Houquette, Forest, St Martin's
St Sampson's	La Mare de Carteret, Hautes Capelles, Vale
Les Varendes	Amherst, Vauvert, St Mary and St Michael, Notre Dame
La Mare de Carteret	No Year 7 intake in September 2023

Table 6: Feeder Primary Model from September 2023

7.12 In September 2023 there will be no Year 7 intake into La Mare de Carteret and then, at the end of academic year in July 2024, it is proposed that learners at La Mare de Carteret in Years 8, 9 and 10 will finish the year at La Mare de Carteret and will move to join their peers at Les Varendes in Years 9, 10 and 11 in September 2024. Space will have been created to accommodate these additional learners by Year 12 students moving to start Year 13 at the Sixth Form Centre on the Les Ozouets Campus in September 2024 and Year 11 from all schools beginning their post 16 experience on the shared campus.

7.13 Several of the preferences regarding transition expressed by staff in the survey can be met by the proposed model, and the current preferred transition plan, which can be varied in light of any feedback from key stakeholder groups:

- It does not require a long transition period; provided there are no delays all learners can be in the new model from September 2024
- Disruption resulting from site moves will be minimised as far as possible:
- No learner will be required to move more than once over the course of their 11-16 education.
- No learner will be required to move between Year 7 and 8, just one year after moving from primary school to secondary school.
- Fewer than 300 students are expected to move site during their secondary education, with a single cohort (approximately 200 students) moving site between Year 12 and Year 13.
- There is no requirement to split existing cohorts of students: all students moving from La Mare de Carteret at the point that it closes can be guaranteed a place at Les Varendes, with opportunities for parental choice to move to either of the other two sites.

- There will be very limited disruption to learning for students on the school sites as works are carried out: St Sampson's requires no additional works, Les Beaucamps only a small extension in the lower car park, and Les Varendes only upgrades rather than significant restructuring or extension.
- It should be noted that current capacity at Les Beaucamps, based on the existing class policy of 26 learners per form of entry, is for 715 learners. There is no requirement for temporary accommodation for learners. Projections show that there would be approximately 702 learners on the site in 2024. The maximum anticipated learners on this site would be 726 in 2027-28.
- To maximise flexibility to create the best possible layout for the new post 16 campus, it is expected that the existing building at Les Ozouets would be demolished in advance of the start of the build programme. Students and staff based on this site will therefore be provided with suitable alternative accommodation during this period. This will mean that they are not affected by the extensive building work taking place on the site.
- The Princess Royal Performing Arts Centre will continue to operate.
- Other occupants of the Les Ozouets site, including the Music Service, Youth Commission and The Sexual Health and Relationship Educators (SHARE), will also be provided with suitable alternative accommodation.

7.14 The timeline below sets out key milestones for the development of the new model:

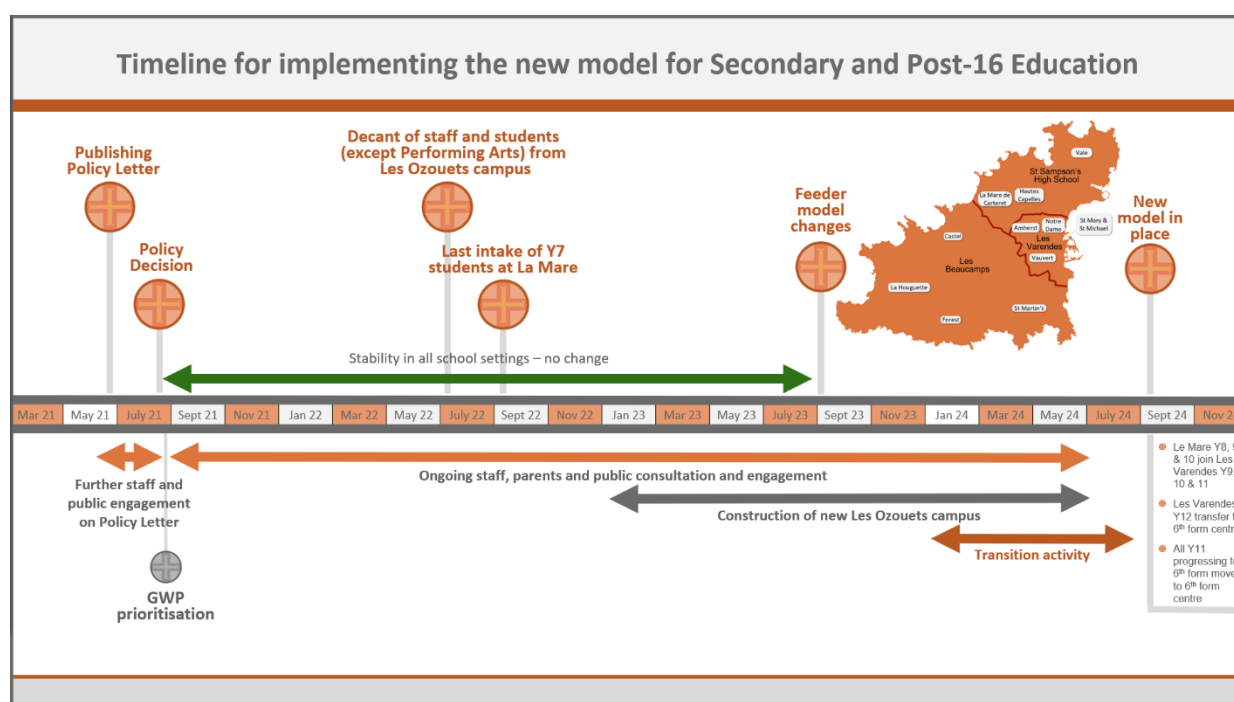


Figure 5: Timeline and key milestones

Alignment of the preferred model to the Committee's Principles

7.15 The Committee's preferred model aligns with the Guiding Principles as outlined in Table 7 below:

Principle	Preferred model
Greater equity for post 16 education and training	Sixth Form and The Guernsey Institute located on the same site - creating the Post 16 campus, contributing to parity of esteem and facilitating mixed programmes.
Sixth Form not split	Sixth Form not split across more than one site
Improvements in equity	Improvement because all students are in fit for purpose buildings in schools of the same size, able to offer the same breadth of curriculum
Reflective of current financial climate - capital	Overall capital request of £43.5m: £30.4m lower than amount delegated for the previous model of education.
Reflective of current financial climate - revenue	Deliverable for no more than the current level of expenditure
Deliverable in realisable timeframe	September 2024
Mindful of disruption to school community	Potential disruption at Les Varendes as works required while students are on site

Table 7: Alignment of preferred model to Guiding Principles

Alignment of the preferred model to preferences expressed through the staff surveys

7.16 There are several areas in which the staff survey data aligns with the Committee's decision-making, as summarised in Appendix 4. A high-level summary of these alignments is listed below:

- The model will allow each site to develop its own culture and identity.
- There will be equitable access to a more consistent quality of facilities than is the case in the existing model: currently, students at La Mare de Carteret High School experience a lower standard of facilities than students on the other three sites.
- As all three 11-16 schools will be the same size, curriculum breadth will be similar across the three schools. These priorities were considered essential or highly desirable by a majority of staff.

- Each school will have similar numbers in each cohort, and as they are all 11-16, a similar number of students in total. Current assumptions are based on retaining a primary school feeder model as opposed to a catchment system. These priorities were considered essential, highly desirable or desirable by a majority of staff.
- All three 11-16 schools will be designed for six forms of entry in each cohort; considered optimal by a greater proportion of staff (55%) than any other school size, as shown in Appendix 4. There will be no need for any learner to move site more than once during the 11-16 phase of their education, and there is unlikely to be any requirement for temporary classrooms for learners aged 11-16.
- A majority of staff also considered it at least desirable to avoid a long transition period. The preferred model can be fully in place for September 2024.
- As part of its ongoing scrutiny of revenue budgets, the Committee has decided to make adjustments to the current class size policy for reasons independent of the future model. Even with the adjusted class size policy, the vast majority of classes will remain at or below 25, with only 15% likely to fall in the 26-28 range.
- The Committee's preferred model reflects staff priorities relating to the structure of the Sixth Form:
 - The Sixth Form will be together on one site, meaning no learners need to travel between sites for Sixth Form studies, or for mixed programmes with The Guernsey Institute.
 - As all learners will attend 11-16 schools and then the Post 16 Campus, there is no issue relating to equitable access to 11-18 schools.
 - A majority of staff (53%) considered it either essential, highly desirable or desirable for the Sixth Form to be located on a separate site to 11-16 students, as is the case in the proposed model. This was further broken down by school with the following schools considering it either essential, highly desirable or desirable for the Sixth Form to be located on a separate site to 11-16 students:
 - Les Beaucamps 65%
 - La Mare de Carteret 71%
 - Les Varendes 25%
 - St Sampson's 59%

The 'Do Minimum' Option

- 7.17 There is an option to organise the delivery of secondary and post 16 education in three 11-16 schools based at Les Beaucamps, St Sampsons and Les Varendes with the Sixth Form Centre remaining as part of Les Varendes site. While this option would cost less from a capital perspective, the Committee does not consider this to be an acceptable model for a number of reasons:

- It doesn't represent a sufficiently ambitious and aspirational offer for post 16 learners or align with the skills agenda which emphasises the importance of retraining to keep up with the future employment market.
- It would continue the existing inequity in the system in that some learners would benefit from the perceived advantages associated with attending an 11-18 school.
- The increase in the student population between 2024 - 2029 would result in between 1000 – 1200 learners on the Les Varendes site. This number is more than the community and staff consider acceptable as evidenced by the results of the staff survey and the public reaction to the one school on two sites model.

La Mare de Carteret site option

7.18 The Committee considered carefully the site options for the three 11-16 schools and the La Mare de Carteret site was discounted from the Committee's preferred option for the following reasons:

- Using the site of the current High School would necessitate a rebuild requiring additional capital expenditure of a minimum of £30 - 35 million, which the Committee does not consider to be prudent given the current financial climate.
- The combination of the transition arrangements and the current primary school feeder model could place more families in the position of having to choose whether a child transfers to secondary school with their cohort of peers or attends the same school as a sibling.
- Although it would reduce the distance students in the La Mare de Carteret primary catchment area need to travel to school, it would increase the distance students in town are required to travel to school relative to the Committee's preferred option, including students in the island's other social priority primary (Amherst), as there would no longer be a secondary school located at Les Varendes.
- The current building at Les Varendes requires only minor upgrades to continue to meet required standards for education. In a model where La Mare de Carteret was the third site, Les Varendes site would not be used as a school building which is contrary to an efficient use of the estate.
- Potential developments in housing supply in the area could mean that the advantage of locating a school on the La Mare de Carteret site lessened over time.
- This option could not be fully implemented until September 2025, a year later than the Committee's preferred option, which would mean another year of the current inefficient and inequitable model and another year of uncertainty for staff, students and families.

7.19 Based on finding the most cost-effective solutions, the Committee did not consider that this site could be put forward as the preferred option.

Three 11-18 schools

7.20 The Committee is aware there is interest in a model which would reorganise secondary education delivery in three 11-18 schools. Whilst this may be cheaper to build from a capital perspective, the Committee has discounted this option for the following reasons:

- Three 11-18 schools could not be implemented before September 2025 at the earliest, causing continued uncertainty for the community in the interim.
- There would be disruption to the staff and learner population on existing school sites whilst necessary extension works are undertaken.
- Three 11-18 schools will continue the inequity which exists between academic and technical / vocational pathway choices at post 16.
- Three 11-18 schools will not provide the advantage of having all learners on one site for more flexible curriculum approaches such as the IB careers programme or other blended pathways which will develop over time.
- Learners from Alderney would not be afforded the opportunity to join post 16 provision from an equal starting point as they would in the Committee's preferred model.
- The Committee's model has in-built flexibility to allow for population changes such as changing cohort sizes between The Guernsey Institute and the Sixth Form Centre which would not be the case with three 11-18 schools.
- In light of the population decline, three sixth forms will not be sustainable or efficient. There is a significant likelihood that over time one or more of the sixth forms will be closed leading to circumstances similar to those which exist now, with an inequitable mix of 11-16 and 11-18 schools.
- Three 11-18 schools will inevitably see a proportion of learners having to change sites completely at 16 in order to access their combined subject choices whilst others will remain at their 11-16 site. This Committee does not believe that a situation where some learners are required to move is an equitable solution.
- Some learners will need to move between sites to access their subject combination unless curriculum offer is replicated on each site, which risks unnecessary and inefficient additional expenditure.
- The separation of post 16 learners will not enable the Committee's plans for a post 16 campus which will act as a hub to support the Skills and Lifelong Learning Strategy by providing the Bailiwick's young people with a high quality of education and skills in preparation for their next step in life and future contribution to the community.
- There is no certainty in respect of planning requirements for any building work. In particular, any works needed at Les Beaucamps could result in a serious compromise or loss of existing sports areas and the Multi-Use Games Area.
- In the event of a positive population policy being approved by the States in future, leading to a more permanent increase in the secondary and post

16 student population, three 11-18 schools will lead to a significant increase in school sizes which proved unpalatable for the community as part of the one school on two site model.

- Another change of policy direction will require additional resources and expenditure to develop plans and lead to a delay in the implementation of this model.

8 Preferred Approach

8.1 The Committee's preferred approach can be summarised as follows:

- Three 11-16 schools at Les Beaucamps, St Sampson's and Les Varendes
- The plans to build a new purpose-built campus for The Guernsey Institute at Les Ozouets to be expanded to include the Sixth Form Centre.
- A new purpose-built CIAS Base to be built at Les Beaucamps to accommodate learners transitioning from the CIAS Base at Forest Primary School.
- Each secondary school will have a CIAS Base provision that ensures learners from each feeder primary school will be able to transition with their peers at Year 6 and still receive appropriate and equitable support no matter which secondary school they attend.
- Essential refurbishment and maintenance of Les Varendes to be carried out before La Mare de Carteret is closed.
- The Music Service, the Youth Commission and SHARE, currently based at Les Ozouets, will be relocated to a refurbished area of the Les Varendes site.
- Detailed traffic impact assessments will be undertaken with active travel options promoted for all sites. The numbers of learners on each site will be manageable from an infrastructure perspective, not least because post 16 education is not delivered to the same timetable as a school day so travel will be dispersed.
- The Performing Arts Centre to continue to operate throughout the transition.
- The timeline for the design, tendering and build of the Les Ozouets will be coordinated so that the whole Post 16 Campus is built in a single phase and all opens at the same time (current plan September 2024). This will reduce costs compared to a phased approach, as well as reducing the transition period and uncertainty.
- Student transitions for secondary school learners to be kept to a minimum - with no more than one move between sites during the transition phase.
- Student transitions for post 16 learners to be kept to a minimum.
- Ensuring effective change management approaches are in place to support learners, their families and the workforce through the transition to the new delivery model of secondary education.
- Ensuring sufficient programme resourcing to reduce disruption during the transition period and to support the workforce in continuing to deliver continuous improvements in secondary education.

- Ensuring that any necessary staffing changes as a result of secondary and post 16 education reorganisation will be led by HR colleagues and senior educationalists in line with agreed policies and protocols including relevant consultation with trade unions, the profession and P&RC.
- Staff and their representatives will be consulted at key stages regarding the implementation of the model and the transition to it.
- An appropriately resourced and skilled multidisciplinary team which comprises skills in programme and change management, education leadership, estate development, HR management and others should be in place to deliver the reorganisation of secondary and post 16 education during this and future phases.

8.2 It is expected that this approach will ensure that the Committee, through the investment in fit for purpose school buildings, will be able to:

- Provide an equitable environment in which all learners can flourish and thrive.
- Provide 11-16 schools of equal sizes which will ensure improved equity and consistent curriculum breadth across all sites.
- Achieve parity of esteem for post 16 education and training.
- Provide a broad, flexible and sustainable curriculum offer for learners in the post 16 sector.
- Provide a long-term solution for the Bailiwick which will be able to accommodate fluctuations in population in a pragmatic way reflective of the current financial situation.
- Align with the Skills and Lifelong Learning Strategy and provide learners with the knowledge and skills which meet the island's needs and will prepare young people to be successful wherever they choose to make their life.

8.3 Work to be carried out in the next phase will further refine and quantify the full benefits by measuring the impact of the proposed changes to be delivered by the reorganisation programme. This will be presented as part of the Outline Business Case.

9 Secondary School Partnership Costs

9.1 In developing its plans for the reorganisation of secondary schools, the Committee has accounted for the wider financial pressures facing the Bailiwick in addition to the internal budgetary pressures facing the Committee, particularly in light of the SEND review, the need to prioritise the professional development of staff to drive continuous improvement and the need to focus on literacy and digital literacy. It is therefore essential that the annual budget for education is apportioned in an equitable way across all aspects of the education mandate from 0-25 years of age. The Committee has therefore made decisions which will ensure that budgetary changes are made in 2021 to ensure funding is spent efficiently now and in the long-term. In developing the longer-term policy direction for secondary education, the Committee has paid careful attention to the need to spend taxpayers' money wisely

from both a capital and revenue perspective.

Revenue Modelling

9.2 Modelling based on the current structure of secondary education has been undertaken to provide high level indicative costs for use as a comparison. This shows that the Committee's preferred model will cost no more than it does currently to deliver secondary education. Key changes which have been included are outlined below:

- An increased tipping point (the point at which a new form of entry is introduced to a year group) from 26 to 28 in Key Stage 3 and Key Stage 4. Changes to tipping points are planned to take place from September 2021, irrespective of the changes to secondary reorganisation.
- For Key Stage 5 there is an increased Pupil Teacher Ratio (PTR) of 12.5:1 from 11:1.
- Modelling suggests that over the first ten years of the new system class sizes in KS3 and KS4 for core subjects will average between 25 and 26. Across all subjects, class sizes would more often be lower because of the lower numbers required in subjects such as Design and Technology and the additional option subjects running at GCSE. This brings the average class size at primary and at secondary closer together than is currently the case. These changes are being introduced gradually from September 2021 and are decisions which have been made from a business-as-usual perspective. Additional remission time has also been included to account for necessary travel between the Sixth Form Centre and the 11-16 schools.

Capital Costs

9.3 The major components of capital investment required to deliver the proposed models are:

- **Construction** - new facilities and the refurbishment or repurposing of existing facilities.
- **Decant** – this includes the cost of temporary accommodation for the current residents of the Les Ozouets Campus and the costs of transferring equipment and materials from the existing premises to the new facilities.
- **Programme** - the costs of the resources required to deliver the programme both in terms of project team members and external service providers.
- **Transport** - improvements to the facilities relating to travel to and from the schools including parking for cars, motor bikes and bicycles, drop-off areas, school bus provision and initiatives to encourage active travel.

9.4 A summary of these costs for the proposed model are as follows:

Secondary	Policy Letter	2SM	3 x 11-18
Construction Costs	£29.0m	£61.8m	£16.0m
Programme Costs	£10.0m	£8.8m	£10.0m
Decant	£3m		
Transport	£1.5m	£3.3m	£1.5m
Total Capital	£43.5m	£73.9m	£27.5m
Optimism Bias	£10.5m		£15.0m

Table 8: Summary of costs for the preferred model

9.5 The Construction costs include:

- A Sixth Form Centre built at Les Ozouets as part of the overall development of the site into a post-16 campus in one single-phase development opening in September 2024
- Remedial work carried out at Les Varendes
- The Swimming Pool at Les Varendes to be repurposed to accommodate those services displaced from Les Ozouets
- CIAS base built in the lower car park at Les Beaucamps

9.6 The Programme costs include:

- The planning and management of the programme including the development of plans and budgets, resourcing of the project team and the management of dependencies, risks and issues.
- The design of the staffing structures for the new model and the transition of existing staff into the new model.
- The consultation, engagement and communication with stakeholders during the transition process.
- The design of the new facilities and the management of the tendering and construction process.
- The development of business cases in order to comply with the States' Capital Approval processes.

9.7 Subject to approval of the proposed model by The States', these estimates will be the subject of more detailed development in line with the Capital Approval process in order to refine and validate the assumptions upon which these figures have been estimated.

9.8 Since most of the above estimates have been prepared using high level estimates and assumptions, and due to the risks summarised in Appendix 5, it is recommended that a sum of £10.5m is added to the amount delegated to P&RC (see Proposition 4),

to account for optimism bias and in case any of the risks materialise or any of the assumptions underlying the high-level estimates change.

- 9.9 For comparison purposes, the table below summarises the capital costs for the preferred model with the capital amount previously approved for the one school on two sites model, as well as for a three 11-18 school model.
- 9.10 The one school on two site model also included £4m to enable the co-location of healthcare services on the sites of the colleges, which has not been included here. Further work is needed to explore the appetite and potential for co-location using existing space in the three schools and the co-located site. This will be explored following States approval of the proposals.
- 9.11 The three 11-18 school model has been estimated by applying the same assumptions in respect of class sizes, curriculum, etc. as used in the Committee's preferred model. It assumes that the Sixth Form Centre would not be built at Les Ozouets, but that extensions would be required at Les Beaucamps and St Sampson's in order to accommodate one-third of a sixth form on each site. The risks (and therefore the sum allowed for optimism bias) for this model would need to be higher to reflect that the Committee has not conducted the same level of scrutiny into these costs and the underlying assumptions.

10 Delegated Authority and the Five Case Model

- 10.1 The States' are asked to agree that authority is delegated to P&RC to approve the required funding of up to £54m for the reorganisation. This will allow the Committee to move forward quickly with this essential workstream in order to address the long-standing concerns relating to the existing secondary and post-16 education infrastructure. The requirement to produce detailed business cases will still apply, as will the need for the relevant assurance reviews to be presented for approval by P&RC.
- 10.2 This process has been approved previously by the States in relation to capital projects, for example the hospital modernisation programme led by the Committee *for* Health & Social Care.
- 10.3 Following the policy approval stage, all subsequent delivery aspects will be developed in line with the best international practice for successfully managing government projects and programmes using the approach set out in the Green Book²² published by HM Treasury which has been tailored to meet the needs of Guernsey's processes and governance. This internationally renowned approach, known as the Five Case Model, ensures that, throughout the delivery and implementation phases of all major projects and programmes, there is a robust framework within which to ensure ongoing scrutiny of deliverability, value for

²² <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government/the-green-book-2020>

money, risks, benefits realisation etc. Importantly, the Five Case Model continues into the implementation phase to ensure that there is a review of any new operating models and that benefits are delivered.

Box: The business case development framework

Determining the strategic context and undertaking the Strategic Assessment

Step 1: determining the strategic context

Gateway 0: strategic assessment

Stage 1 – Scoping the scheme and preparing the Strategic Outline Case (SOC)

Step 2: making the case for change

Step 3: exploring the preferred way forward

Gateway 1: business justification

Stage 2 – Planning the scheme and preparing the Outline Business Case (OBC)

Step 4: determining potential Value for Money (VfM)

Step 5: preparing for the potential Deal

Step 6: ascertaining affordability and funding requirement

Step 7: planning for successful delivery

Gateway 2: delivery strategy

Stage 3 – Procuring the solution and preparing the Full Business Case (FBC)

Step 8: procuring the VfM solution

Step 9: contracting for the Deal

Step 10: ensuring successful delivery

Gateway 3: investment decision

Implementation and monitoring

Gateway 4: readiness for service

Evaluation and feedback

Gateway 5: operations review and benefits realisation

Figure 6: The Business Case Development Framework²³

11 Implementation Plan

- 11.1 Strong and robust governance is essential to the delivery of any successful projects and programmes. Ongoing scrutiny and monitoring is required during the delivery and post-implementation phase to ensure that there is a focus on efficient use of public money, mitigation of emerging risks and to provide confidence that a project or programme will deliver the benefits in full and according to agreed timescales.
- 11.2 The reorganisation of secondary and post 16 education sits within a broad programme of change within education. The Transforming Education Programme is the umbrella under which a number of complex and varied projects sit, including The Guernsey Institute, Secondary Reorganisation and the Digital Roadmap. Within each project there are a range of sub-projects such as capital development, staff reorganisation, partnership development, professional development etc.

²³https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749086/Project_Business_Case_2018.pdf

- 11.3 In line with best practice, a Programme Board exists to oversee and monitor the progress of the Programme, chaired by a Senior Responsible Officer accountable for the overall delivery of the programme and the realisation of benefits. The Transforming Education Programme Board provides governance and oversight to ensure that the individual projects are successfully delivered. The Secondary Reorganisation project will also have its own project board which reports up to the overall Programme Board.
- 11.4 The Secondary Reorganisation Project has been divided into phases to ensure that it is manageable in order to support appropriate monitoring and decision making.
- 11.5 A single-phase building development provides benefits such as; shorter timescale for delivery, best overall site plan layout, potentially fewer strategic planning issues, better building relationships and spaces between buildings, less impact and disruption to teaching and learning as well as better value for money due to the reduced construction period. This approach will require the Secondary Reorganisation project to accelerate the design of the Sixth Form Centre in order to align with the existing schedule for The Guernsey Institute project, which is already well-advanced.
- 11.6 There are elements within the single-phase development which can further be ‘fast-tracked’ to provide efficiency and reduce overall risk in meeting the construction and transition schedule. In summary these are:
- Relocate most of the Les Ozouets students and services from the site by summer 2022 making it available for early construction – this will be achieved by moving students and residents to other Guernsey States-owned premises such as Le Coutanchez and Sir Charles Frossard House.
 - During summer 2022 the Les Varendes pool area would be repurposed to provide facilities for the Music Service, Youth Commission and SHARE.
 - With Les Ozouets vacated this will allow for early demolition works from August – October 2022 once the site is cleared construction can begin in January 2023.
 - The sports hall and multi-usage games area at Les Ozouets can be offered as a separate contract. This has the advantage of reducing the extent of works of the main programme and supporting local industry.
- 11.7 It is anticipated that the total cost of the above fast-track plan would cost £15.5 million, which is included in the main budget. This approach would help reduce overall risk and complexity and help to protect the 18-month construction schedule. Early release of funding, in advance of the Full Business Case, will be necessary to deliver the ‘fast-tracking’ approach.
- 11.8 An indicative plan with high level timeframes and projects to be commenced in each phase can be seen in Figure 7 below. The early stages have focused on identifying the preferred direction for the project, prioritising the portfolio of sub-projects,

establishing indicative costs and an outline plan and understanding the dependencies of the projects.

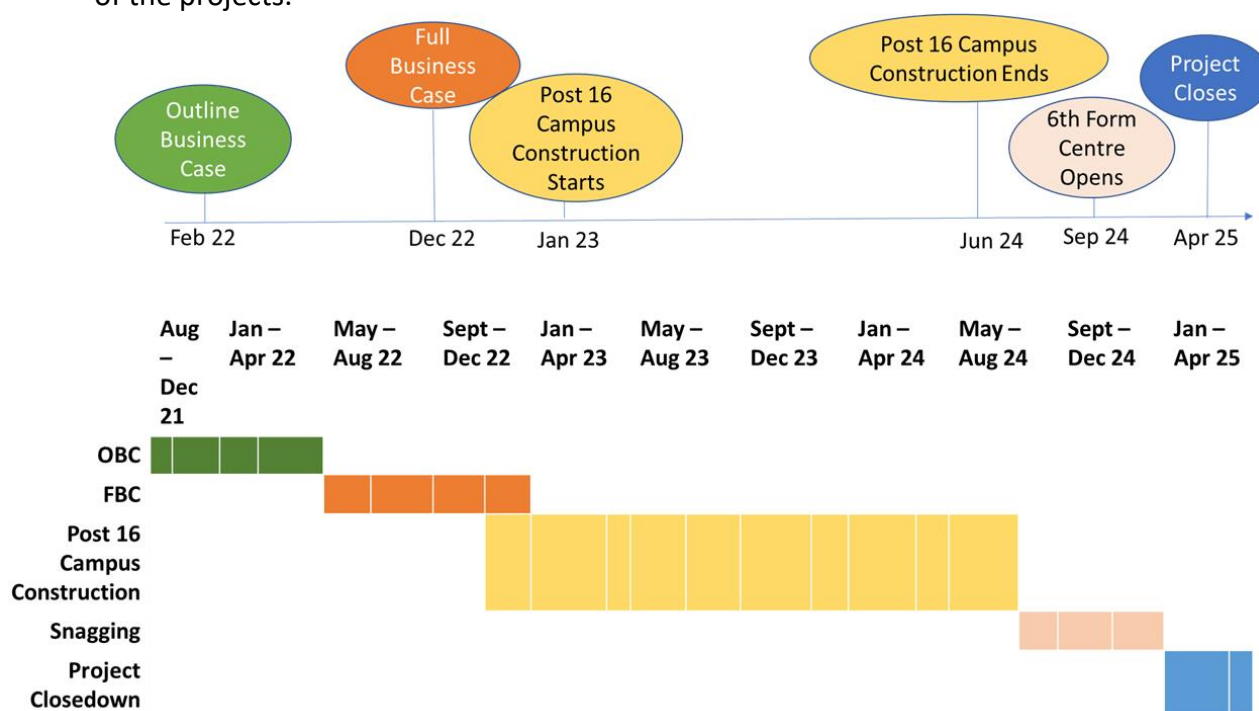


Figure 7: High level programme timeline

- 11.9 An integral aspect of the Secondary Reorganisation Project Plan is to ensure that there is sufficient resourcing included with a particular emphasis on supporting the workforce through change and transition to the new model of delivering secondary and post 16 education.
- 11.10 The Secondary Reorganisation Project Board will be responsible for ensuring that all relevant stakeholders are kept informed of project progress. Although it will be some time before the building works begin, it is recognised that detailed communications, engagement and change management plans will be required to ensure that all stakeholders, including service users and members of staff, are fully aware of the changes that will be taking place and how they might be affected.
- 11.11 The mitigation of risks will be an important responsibility of the Secondary Reorganisation Project Board and any identified risks will be escalated as necessary. Given that the schools will continue to function while the building and refurbishment works are taking place, it will be essential to ensure that service provision is not impeded, and that any disruption is kept to a minimum. This will be an important consideration to be factored into the detailed design work. As with other infrastructure and change programmes this Project will be managed according to States' guidelines and best practice.
- 11.12 The Secondary Reorganisation Project team members will continue to work alongside any interdependent programmes, projects and workstreams, including the Digital Roadmap and other government priorities. In line with best practice and the

States' agreed capital approach, the Programme Business Case will continue to be reviewed and externally validated throughout its lifecycle with each project business case being reviewed in line with the Five Case Model.

- 11.13 The periodic independent assurance reviews at agreed milestones will provide confidence to stakeholders that the Project will achieve key objectives and realise the expected benefits.

12 Risks

- 12.1 It is recognised that there are specific risks to the Secondary Reorganisation Project and that further work on defining these and establishing their mitigating actions will be required throughout the Project's phases. The main risks, consequences and mitigations identified to date have been assessed and are outlined in Appendix 5.

13 Compliance with Rule 4

- 13.1 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.
- 13.2 In accordance with Rule 4(1), the Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications. She has advised that there is no reason in law why the Propositions should not be put into effect.
- 13.3 In accordance with Rule 4(3), the Committee has included Propositions which ask the States to open capital votes to fund the agreed reorganisation model. Further details about the financial implications are set out in Section 9 of this policy letter.
- 13.4 In accordance with Rule 4(4) of the Rules of Procedure of the States of Deliberation and their Committees, it is confirmed that the Propositions within this policy letter have the majority support of the Committee. Please note Deputy Cameron does not support Propositions 1, 2, and 4.
- 13.5 In accordance with Rule 4(5), the Committee consulted extensively with a range of stakeholders as outlined in Section 7 and Appendix 4.

Yours faithfully

A C Dudley-Owen
President

R C Murray
Vice-President

S Aldwell

A Cameron
SP Haskins

J B Green
Non-States Member

GLOSSARY OF TERMS

Term	Definition
Attainment 8	A secondary school accountability measure, which evaluates learners' attainment across 8 qualifications including: <ul style="list-style-type: none"> • maths (double weighted) and English (double weighted, if both English language and English literature are sat) • 3 qualifications that count in the English Baccalaureate (EBacc) • 3 further qualifications that can be GCSE qualifications (including EBacc subjects) or technical awards.
Communication, Interaction and Autism Service (CIAS)	The Communication, Interaction and Autism Service (CIAS) forms part of the continuum of provision to meet the needs of children and young people with communication and interaction difficulties in the Bailiwick of Guernsey.
Educational outcomes	For the purposes of the policy letter, the Committee has adopted the OECD ²⁴ definition of human capital to reflect the importance of education in developing learners. Educational outcomes can therefore be defined as the 'knowledge, skills, competencies and attributes to facilitate the creation of personal, social and economic well-being'.
Education strategy	The roadmap for prioritising resources and activity to ensure the Bailiwick's education system is ambitious, aspirational and delivers the very best outcomes for our learners.
Executive Principal	The current terminology for a senior educational leader with responsibility for leadership across more than one site.
The Guernsey Institute (TGI)	The Guernsey Institute is a new organisation which will see the integration of the College of Further Education, The Institute of Health and Social Care Studies

²⁴ <https://www.oecd.org/insights/37967294.pdf>

	and the Guernsey Training Agency and University Centre on a shared campus.
Government Work Plan (GWP) ²⁵	<p>The Government Work Plan sets the direction for the 2020-2024 political term and captures all government priorities in one place. These are:</p> <ul style="list-style-type: none"> • responding to the COVID-19 pandemic; • managing the effects of Brexit/International Standards; • delivering the recovery actions; and • reshaping government. <p>The Plan will also include Public Service Reform and capital projects.</p>
International Baccalaureate Career-related Programme (IBCP)	<p>The IBCP is a framework of international education that incorporates the values of the IB into a unique programme addressing the needs of students engaged in career-related education.</p> <p>The programme leads to further/higher education, apprenticeships or employment.</p>
International Baccalaureate Diploma Programme (IBDP)	The IBDP is a two-year programme consisting of six subject groups and the DP core, comprising theory of knowledge (TOK), creativity, activity, service (CAS) and the extended essay.
Key Stage 3	Stage of education between year 7 and year 9.
Key Stage 4	Stage of education between year 10 and year 11 which ends with an external assessment of attainment for example GCSEs.
Key Stage 5	Stage of education between year 12 and year 13 which ends with an external assessment of attainment for example A Levels.
LBHS	Les Beaucamps High School.
LMDC	La Mare de Carteret High School.
LV	Les Varendes, the current site of The Grammar and Sixth Form Centre.
nasen	National Association for Special Educational Needs.

²⁵ <https://gov.gg/GWP>

Optimism-bias	As defined in The Green Book ²⁶ , 'optimism bias is the demonstrated systematic tendency for appraisers to be over-optimistic about key project parameters, including capital costs, operating costs, project duration and benefits delivery. Over-optimistic estimates can lock in undeliverable targets.' It is important to ensure that projected costs are realistic and take into account risks of increased costs over the course of a project/programme.
Post 16 Campus	The co-located site of the Sixth Form Centre and The Guernsey Institute at Les Ozouets.
Preferred Model	The Committee's proposed option for the reorganisation of secondary and post 16 education consisting of three 11-16 schools based at LBHS, SSHS and LV and a Sixth Form Centre co-located with TGI at Les Ozouets.
Principals	A term synonymous with Headteacher.
Secondary education	Stage of education experienced between the ages of 11-16 and at sixth form.
Secondary School Partnership (SSP)	A developing, collaborative 11-18 learning partnership which will facilitate the delivery of the new model of education.
Senior Leaders	Members of a school leadership team which includes, Headteachers, Deputy Headteachers and Assistant Headteachers.
Sixth Form Centre	A venue where sixth form learners in year 12 and year 13 are educated.
Skills	Skills are the ability to do something well. Skills refers to the way that we choose, use and apply knowledge in different circumstances. Skills are competencies which blend knowledge, attitudes and values.
Skills and Lifelong Learning Strategy	An emerging government strategy to bring together several areas to address skills supply, skills development, equity and wellbeing and sustainability and growth with an overall aim to enable the skills, knowledge and resilience for personal,

²⁶https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938046/The_Green_Book_2020.pdf

	social and economic wellbeing in a global economy and society.
SSHS	St Sampson's High School.
Les Varendes	The current site of The Grammar and Sixth Form Centre.

Summary of States' decisions on secondary education since 2016

Date	Billet	Policy proposal	Decision
March 2016	Billet d'Etat VII, 2016 volume I	<ul style="list-style-type: none"> To end selection at 11 One secondary school across four sites with at least one being 11-19 	<p>Approved</p> <p>Rejected in favour of three comprehensive schools in a structure to be determined by the subsequent Assembly</p>
November 2016	Billet d'Etat XXIX, 2016	<ul style="list-style-type: none"> To rescind the decision to remove selection at 11 	Rejected
January 2018	Billet d'Etat II, 2018	<ul style="list-style-type: none"> Full-time 16-19 education separate from 11-16 education, with A levels and International Baccalaureate qualifications delivered alongside full time vocational, applied general and technical courses Mainstream States' secondary school education provided on three secondary school sites from September 2021 Post 16 provision located on Les Varendes site 	Rejected in favour of the Alternative Model proposals below
January 2018	Billet d'Etat II, 2018	<ul style="list-style-type: none"> Secondary education to be organised in one 11-18 school on two sites The integration of all other post 16 provision as a single entity (The Guernsey Institute) on the Les Ozouets Campus 	<p>Approved</p> <p>Approved</p>
September 2019	Billet d'Etat XVI, 2019	<ul style="list-style-type: none"> Detailed plans and the capital costs for the 'one school on two sites' model and to delegate authority to P&RC to release funds Detailed plans and the capital costs for The Guernsey Institute 	<p>Approved</p> <p>Approved</p>

		<ul style="list-style-type: none"> To delegate authority to P&RC to release funds for the Digital Roadmap 	Approved
February 2020	Billet d'Etat V, 2020	<ul style="list-style-type: none"> To pause the development of the one 11-18 school on two sites model and carry out a comprehensive comparison with other viable models of non-selective educational delivery previously presented to and considered by the Committee 	Approved
March 2020	Billet d'Etat VIII, 2020	<ul style="list-style-type: none"> To progress one school over multiple sites model To review the 'one school on two sites' model against three other models using specified terms of reference and submit a policy letter containing the findings and subsequent proposals by 28 April 2021 	Approved
March 2021	Billet d'Etat VI, 2021	<ul style="list-style-type: none"> To rescind extant resolutions relating to the 'one school on two sites' model as part of the Government Work Plan Policy Letter 	Approved

English Performance Tables

Using the 2018-19 Validated KS4 Performance Tables (it should be noted that certain schools have been removed e.g. selective schools, single sex schools, special schools, post 16) there were 2519 schools. Of these, there were 1519 11-18 schools and 1000 11-16 schools included in the data analysis. The data indicated a notable difference in the numbers of disadvantaged learners attending 11-16 or 11-18 schools. On average, for 11-16 schools 31% of learners were FSM6 (children in receipt of free school meals for 6 years). However, on average, for 11-18 schools a lower percentage of 26% of learners were recorded as FSM6. Government research indicates that attainment in 2019 was lower for disadvantaged students.

‘In 2019, 26.5% of learners in state-funded schools at the end of key stage 4 were disadvantaged, 0.5 percentage points lower than 2018 (27.0%) Attainment was lower for disadvantaged learners compared to all other students across all headline measures in 2019 consistent with previous years’.

It should also be noted that the UK context is complicated for multiple different reasons such as the wide variety of different types of schools, free schools, multi academy trusts, community schools and schools in areas where there is selection. This makes meaningful comparisons based purely on whether a school is an 11-18 school or an 11-16 even more challenging.

Attainment 8

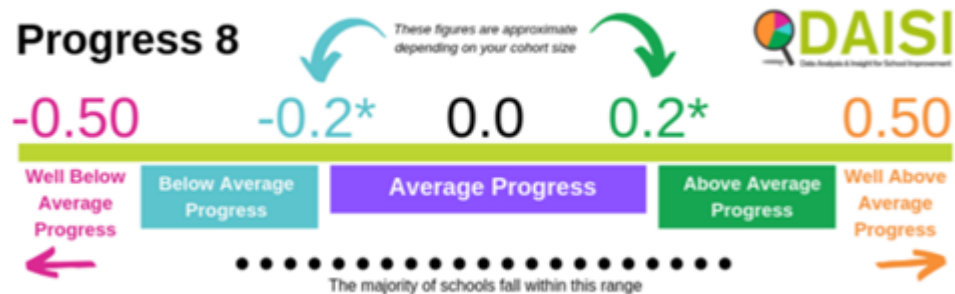
‘A school’s Attainment 8 score is the average of all learners’s individual Attainment 8 scores. The National average is around 44-46. Because changes are made to the fine-tuning to Attainment 8, one year’s Attainment 8 is not comparable with another.’

In 2019, the average Attainment 8 Pupil Score for 11-18 schools was 46.4 and the average 8 Pupil Score for 11-16 was 44.09. For this measure both 11-18 and 11-16 schools performed broadly in line with the national average. However, Attainment 8 data does not take into account prior attainment or disadvantage and it is known (from the data above) that 11-16 schools, on average, have a higher proportion of disadvantaged learners. This is why Progress 8 provides a fairer measure of value added; the impact a school has on young people. Nonetheless, the 2019 data showed that 11-16 schools performed in line with the national average, despite having more deprived intakes than the 11-18 schools.

Progress 8

Progress 8 is a fairer measure of achievement because it takes account of learners’ prior attainment. Progress 8 was introduced in 2016 (and 2015 for schools that chose to opt in early). It aims to capture the progress a learner makes from the end of primary school to the end of secondary school. It is a type of value-added measure, which means that learners’ results are compared to the actual achievements of other learners with similar prior attainment.

In 2019, the average Progress 8 Score for 11-18 schools -0.01 and the average Progress 8 Score for 11-16 schools was -0.15. though the Progress 8 Score for 11-16 schools is slightly lower, it remains within the average progress range.



<http://daisi.education/wp-content/uploads/2019/05/DAISI-GCSE-Guide.docx.pdf>

Full evaluation of models against Guiding Principles: Models included in previous review

1. The potential future models of secondary and post 16 education included in the previous Committee's review were evaluated in light of the current Committee's Guiding Principles. The extent to which each model meets the Guiding Principles is summarised in the table below.

	Two 11-18s	Three 11-18s	One 11-18 and two 11-16s	Three 11-16s where one has a co-located Sixth Form	Three 11-16s and a Sixth Form on a current secondary site – the ‘Do minimum’ option	Three 11-16s and a Sixth Form co-located with TGI
Greater equity for post 16 education and training	No	No	No	No	No	Yes
Sixth form not split	No	No	Yes	Yes	Yes	Yes
Improvements in equity	Yes	Yes	No	No	Yes	Yes
Reflective of current financial climate – capital	The modelling carried out under the previous Committee was based on assumptions which the current Committee wished to change and so no comparisons of these models were made on a cost basis.					
Reflective of current financial climate – revenue						
Deliverable in realisable timeframe	Yes	Yes	Yes	Yes	Yes	Yes
Mindful of disruption to school community	No	No	Yes	Yes	Yes	Yes

Table 1: Extent to which each of the potential models meets the Committee’s Guiding Principles

Two 11-18 schools

2. The two 11-18 school model splits the Sixth Form and does not provide greater equity for post 16 Education and Training. There is considerable opposition to the

model, from staff across all four secondary schools and from the community. Concerns about the model are wide-ranging, particularly with regard to the impact of the large numbers of students on each site and the resulting lack of outdoor space and potential traffic congestion. There are also significant concerns about the move away from smaller schools in which students are known well by a greater proportion of staff. It would be likely to cause more substantial disruption to students and staff on expanding sites than any of the other models. This model was therefore discounted from any further analysis.

Three 11-18 schools

3. The three 11-18 school model splits the Sixth Form into even smaller cohorts than the two 11-18 school model. Each Sixth Form would be below the size of the average UK Sixth Form, and numbers are expected to decline further over time. This option also does not provide greater equity for post 16 education and training. Although at around 850 the numbers of students on each site would be significantly lower than in the two 11-18 school model, they would still exceed the range considered optimal by a majority of school staff; between 600 and 800. The Committee therefore does not consider this a pragmatic option for the future of secondary and post 16 education, and it therefore was not considered further as a potential option. However, given the level of interest expressed in this option by some States' Members, the Committee has directed officers to produce further information relating to this model. This additional analysis has been carried out on the basis of the assumptions underlying the Committee's preferred model rather than those underlying the two 11-18 school model, which were used by the previous Committee.

Two 11-16 and one 11-18 school

4. Two 11-16 schools and one 11-18 school would not split the Sixth Form but would not provide greater equity for Post-16 Education and Training. It would retain (at least perceived) inequity at 11-16, as some students would attend an 11-18 school while others would attend 11-16 schools. The Committee does not consider this option pragmatic: for example, there would be significantly more students on the 11-18 site than considered optimal by staff and the wider community, with a peak of around 1150. It is likely that there would be significant opposition to this model on similar grounds to the opposition to the previously proposed two 11-18 school model. This model was therefore discounted from any further analysis.

Three 11-16 school and with a Sixth Form co-located on the same site as one of the 11-16 schools – The 'Do Minimum' Option

5. Three 11-16 schools with a Sixth Form co-located on the same site as one of the 11-16 schools would retain the perceived inequity of the two 11-16 and one 11-18 model, even if in practical terms the two organisations were run separately. Numbers on the site would also be the same as in the two 11-16 and one 11-18 model (with a total capacity of 1180-1230) and so this model is therefore not

considered pragmatic, given the significant public concerns about large numbers of students on single sites. It would not be possible to achieve the improvements in equity for post 16 education and training that the Committee considers essential, as this requires a single post 16 campus operating with some shared facilities. However, the Committee has undertaken further work to understand the cost implications of this model given that it meets the guiding principle of not splitting the Sixth Form, with greater equity than in the one 11-18 and two 11-16 model.

Three 11-16 schools and a Sixth Form Centre on a separate site

6. The analysis carried out under the previous Committee considered the option of three 11-16 schools and a Sixth Form Centre on a separate site but did not include co-location with The Guernsey Institute at Les Ozouets as a potential option. Running 11-16 and Post 16 education across five different sites is not reflective of the limitations of the current financial climate as it would require unnecessary duplication of facilities. Although this option does not split the Sixth Form, it would not allow the improvement in equity for post 16 education and training that the Committee considers essential. It was therefore discounted from any further analysis.
7. The current Committee added a further model to be evaluated according to the Guiding Principles: three 11-16s and a separate Sixth Form, co-located with The Guernsey Institute. This meets all Guiding Principles: co-locating all post 16 provision will ensure a more equitable perception of post 16 education and training and does not split the Sixth Form. It provides improvements in equity for 11-16 students because all students can attend 11-16 schools of the same size. It is deliverable given the current financial climate and with a reasonable timescale with minimal disruption at existing schools.

Narrowing of the review based on the Committee's Guiding Principles

8. Based on the Guiding Principles established above and the analysis of previously considered models relative to those principles, the Committee discounted options which it considered had no potential for future implementation and narrowed the terms of review to focus on the models which best met the Guiding Principles. This is summarised in Table 2 below.
9. Although it does not meet all principles, the Committee considered it sensible to examine further the capital costs of co-locating the Sixth Form with an 11-16 school at Les Varendes, given that this meets a majority of the Guiding Principles without splitting the Sixth Form and provides greater equity than one 11-18 schools and two 11-16 schools.
10. As three 11-16 schools and a Sixth Form co-located with The Guernsey Institute met all the Committee's Guiding Principles, the Committee directed that two variants be analysed further, with differing combinations of sites for 11-16 schools.

Models discounted for consideration and not taken forward as part of the next stage of the review	Models taken forward as part of the next stage of the review: further analysis carried out based on updated assumptions
Two 11-18 schools	Three 11-16 schools and a Sixth Form co-located with The Guernsey Institute: Option 1 (including variations 1a and 1b as set out below)
Three 11-18 schools	Three 11-16 schools and a Sixth Form co-located with one of the 11-16 schools operating as a separate organisation: Option 2
One 11-18 and two 11-16 schools	Not taken forward
Three 11-16 schools and a Sixth Form Centre on a separate site not co-located with any other educational organisation.	Not taken forward

Table 2 - Narrowing of the review

Key features of models identified for further consideration

11. Based on likely capital costs and the desire to ensure the continued use of both the Les Beaucamps High School and St Sampson's High School sites, the following site combinations were analysed for each of the models under consideration:

Option	11-16 sites	Sixth Form site
1a	Les Beaucamps St Sampson's Les Varendes	Les Ozouets
1b	Les Beaucamps St Sampson's La Mare de Carteret	Les Ozouets
2	Les Beaucamps St Sampson's Les Varendes	Les Varendes

Table 3 - Models identified for further consideration

Assumptions underlying the updated analysis

12. When the Committee took office in October 2020 it took steps to understand the assumptions underlying the analysis already carried out as part of the first stage of the review led by the previous Committee. It considered that there were several areas in which assumptions made were not pragmatic, resulting in capital costs across all models which would not be justifiable given the current financial climate.

The Committee therefore adjusted the assumptions on which modelling was based. The capital and revenue costs provided for all models included in Phase 2 of the review and are based on the new, more pragmatic set of assumptions and are therefore, importantly, not directly comparable with the cost estimates produced by the previous Committee and circulated in the interim report.

13. As part of the Committee's education mandate, it has started a process of reviewing the levels of expenditure across all phases in order to ensure available funding is distributed equitably to ensure maximum benefits for children and young people. The review has revealed that there were some areas of clear discrepancy, including across the primary and secondary phases, where there has been disproportionately high funding of secondary and post 16 students compared to other sectors. As a result, the Committee made the decision to bring the secondary class size policy in line with the primary class size policy, and to make adjustments to the assumed pupil teacher ratio (PTR) for Sixth Form students, to be introduced gradually from 2021. The Committee announced this change to staff on 23rd April 2021.
14. At 11-16, this is expected to affect only a minority of secondary cohorts, with three year groups out of the twenty across the existing four schools currently falling into the bracket which would result in an increase of class sizes by a small number of students. Overall, had this change been implemented for the 2020/21 academic year, it would have taken average class sizes in Year 7-11 across the four schools to 24.5 students in core subjects. Modelling suggests that over the first ten years of the new system class sizes in core subjects will average between 25 and 26. Across all subjects, class sizes would more often be lower because of the lower numbers required in subjects such as Design and Technology and the additional option subjects running at GCSE. This brings the average class size at primary and at secondary closer together than is currently the case.
15. At Sixth Form, it is expected that the new target PTR can be achieved without any significantly detrimental impact on provision of the core curriculum. This ratio remains more generous than per pupil funding for 11-16 year old students, in contrast with England which funds Sixth Form students at a rate on average 20% below 11-16 year old students. This will allow the Sixth Form to continue to offer a very broad range of options.
16. Although this change was introduced independently of the changes to the future model of education and would ensure more equitable provision across the primary and secondary sectors irrespective of the selected future model, it does affect projections for the number of forms of entry across the secondary sector.
17. There is a projected decline in the number of secondary aged learners on the island, after a peak in the 11-18 pupil population expected in 2025-26. The previous Committee's plans, and therefore their comparison of models which used these plans as a baseline, was based on building for this peak number of students despite

the steep decline projected shortly afterwards. This cannot be considered pragmatic given the current financial pressures the island is facing.

18. The Committee considers it much more pragmatic to plan for a total capacity of 18 forms of entry in each cohort across the 11-16 schools, rather than the previous Committee's plans for 20 forms of entry. The changes to the class size policy mean this is achievable sooner than it would have been otherwise, avoiding the timetabling problems caused when schools have to run cohorts with additional classes compared to their original designs. This also allows a greater level of equity across three schools than the previous modelling would have allowed, because all three schools can be treated as six form entry schools and thus offer the same breadth of curriculum; with 20FE across three schools they would inevitably have been of different sizes, and the resulting curriculum breadth would have differed across schools. This is consistent with the Committee's principle to improve equity across schools.
19. The previous Committee's modelling was based on a principle of equality of resources and facilities which this Committee does not consider to be pragmatic, particularly given the current financial situation. The views of staff, as expressed via the staff surveys, make it clear that staff consider it essential for each school to be able to develop its own identity. This Committee does not consider it necessary for each school to have identical facilities or for each school to be built to exactly the same space standards: instead, being mindful of the financial pressures the island is facing, the priority should be to consider each site individually and fund changes which are necessary to allow the building to meet the required standards to continue to deliver 11-16 education well into the future, being mindful of the disruption significant development work would cause given that schools will continue to be operational. The Committee considers equitable provision essential, but this does not mean that the island requires three identical schools. For example, equitable provision would ensure all students have the opportunity to learn to swim as part of their core curriculum. This does not mean that all schools require a swimming pool if they are able to access one within a short distance of their school site, and indeed it would not be prudent to suggest this level of capital expenditure in the current financial climate.
20. The Committee therefore directed that updated financial modelling be based on these new assumptions, with other assumptions for revenue modelling based on current provision rather than the assumptions made for the two 11-18 model. The new baseline provides a more realistic and pragmatic approach and provides assurances that any of the models considered further by the Committee could be delivered within the existing budget for secondary education.

Evaluation of models against Guiding Principles - Phase 2

25. Once the updated modelling described had been carried out, the Committee examined the updated capital and revenue cost information and considered each

model at length in light of its guiding principles and the additional analysis. A summary of this information is shown in table four below.

	1a. Three 11-16s at LBHS, SSHS and LV and a Sixth Form co-located with TGI	1b. Three 11-16s at LBHS, SSHS and LMDC and a Sixth Form co-located with TGI	2. Three 11-16s at LBHS, SSHS and LV and a Sixth Form co-located at LV
Greater equity for post 16 education and training	Sixth Form and The Guernsey Institute located on the same site - creating post 16 “campus”, contributing to parity of esteem and facilitating mixed programmes.		Sixth Form and The Guernsey Institute located on different sites as now.
Sixth Form not split	Sixth Form not split across more than one site.		
Improvements in equity	Improvement in equity because all students are in fit for purpose buildings in schools of the same size, able to offer the same breadth of curriculum		One school will have a co-located Sixth Form: more students on site, potential advantages if there is shared staffing and risk of perceived inequity.
Reflective of current financial climate - capital	Yes	No	Yes
Reflective of current financial climate - revenue	Deliverable for no more than the current level of expenditure		
Deliverable in realisable timeframe	September 2024 (assuming limited works at Les Varendes)	September 2025	September 2025
Mindful of disruption to school community	Potential disruption at Les Varendes as works required while students are on site	No internal works required while students are on site	More significant works required at Les Varendes while students are on site

Table 4 - Evaluation of models included in further analysis against the Committee’s guiding principles

26. Based on this information, three 11-16s with a co-located Sixth Form at Les Varendes (Option 2) was discounted on the grounds that it did not meet the Committee's principles to deliver improvements in equity and would lead to more significant disruption to existing students at Les Varendes than the other models. It would also result in significantly more students on the Les Varendes site than considered desirable by staff.
23. Three 11-16s including a rebuild at La Mare de Carteret (Option 1b) with the Sixth Form co-located with The Guernsey Institute at Les Ozouets was considered less pragmatic than using the existing Les Varendes building based primarily on the significant additional capital cost that would be required.
24. Three 11-16s utilising Les Varendes, Les Beaucamps and St Sampson's with the Sixth Form co-located with The Guernsey Institute at Les Ozouets was therefore confirmed as the Committee's preferred option, as it meets the guiding principles better than all other options.

Preferred model

27. Based on the Committee's Guiding Principles and the comparative information provided, the Committee's recommended model comprises the following:
 - **Three six form entry 11-16 schools, each with capacity for up to 780 students.**
26. The Committee proposes that these should be based at St Sampson's, Les Beaucamps and Les Varendes. Each school would have capacity for up to 780 students, but projections based on the draft new feeder school model indicate a maximum of 720-740 on each site after the transition period has ended.
27. The three 11-16 schools, together with the Sixth Form Centre, will operate together as the Secondary School Partnership; providing an holistic 11-18 learning partnership framework for all students attending mainstream secondary education in Guernsey. Within this Partnership, each school will retain its individual and separate identity but will work closely together to ensure equitable provision of secondary education and deliver the greatest possible value for money.
 - **A single Post 16 campus, accommodating both The Guernsey Institute and the Sixth Form, at Les Ozouets.**
29. This will allow the Committee's Vision for Post 16 Education to be delivered.
30. This model is viable within the current financial climate and can be delivered by September 2024 with minimal disruption to students in existing 11-16 schools.

Transition from the current model to the preferred model

31. Given the Committee's principle to be mindful of disruption to existing school communities it has considered various options for the transition of learners and staff from the current model of secondary education to the preferred future model. The Committee has made no firm decisions regarding this transition process to the preferred model and plans to consult key stakeholder groups before confirming any final plans but is satisfied that its proposed model is deliverable with minimal disruption.
32. Several of the preferences regarding transition expressed by staff in the staff survey can be met by the proposed model, and the current preferred transition plan, which can be varied in light of any feedback from key stakeholder groups:
- It does not require a long transition period:
 - o Provided there are no delays, all learners can be in the new model from September 2024, with entry to secondary school according to the new transition model ensuring an even distribution of students across the three 11-16 sites from 2023. This means that by September 2027 all learners in 11-16 schools will have had their full secondary education as part of the new model.
 - Disruption resulting from site moves will be minimised as far as possible:
 - o No learner will be required to move more than once over the course of their 11-16 education.
 - o No learner will be required to move between Year 7 and 8, just one year after moving from primary school to secondary school.
 - o Fewer than 300 students are expected to move site during their secondary education, with a single cohort (approximately 200 students) moving site between Y12 and Y13.
 - There is no requirement to split existing cohorts of students: all students moving from La Mare de Carteret at the point that it closes can be guaranteed a place at Les Varendes, with opportunities for parental choice to move to either of the other two sites.
 - There will be very limited disruption to learning for students on the school sites as works are carried out: St Sampson's requires no additional works, Les Beaucamps only a small extension in the lower car park, and Les Varendes only upgrades rather than significant restructuring or extension.
 - There is no requirement for temporary accommodation for learners aged 11-16: the existing Sixth Form Centre can be used during the transition phase to accommodate larger cohorts during the transition years in which this site will be above the final planned capacity after students

from La Mare de Carteret move to the site.

- To maximise flexibility to create the best possible layout for the new Post 16 campus, it is expected that the existing building at Les Ozouets would be demolished in advance of the start of the build programme. Students and staff based on this site will therefore be provided with suitable alternative accommodation during this period. This will mean that they are not affected by the extensive building work taking place on the site. The Princess Royal Performing Arts Centre will continue to operate.
- Other occupants of the Les Ozouets site, including the Music Service, Youth Commission and SHARE, will also be provided with suitable alternative accommodation.

Alignment of the preferred model to the Committee's Principles

34. The Committee's preferred model aligns with the Guiding Principles as outlined in Table five below:

Principle	Preferred model
Greater equity for Post 16 education and training	Sixth Form and The Guernsey Institute located on the same site - creating Post 16 “campus”, contributing to parity of esteem and facilitating mixed programmes.
Sixth Form not split	Sixth Form not split across more than one site
Improvements in equity	Improvement in equity because all students are in fit for purpose buildings in schools of the same size, able to offer the same breadth of curriculum
Reflective of current financial climate - capital	Overall capital request of £xx: £xx lower than amount delegated for the previous model of education.
Reflective of current financial climate - revenue	Deliverable for no more than the current level of expenditure
Deliverable in realisable timeframe	September 2024 (assuming limited works at Les Varendes)
Mindful of disruption to school community	Potential disruption at Les Varendes as works required while students are on site

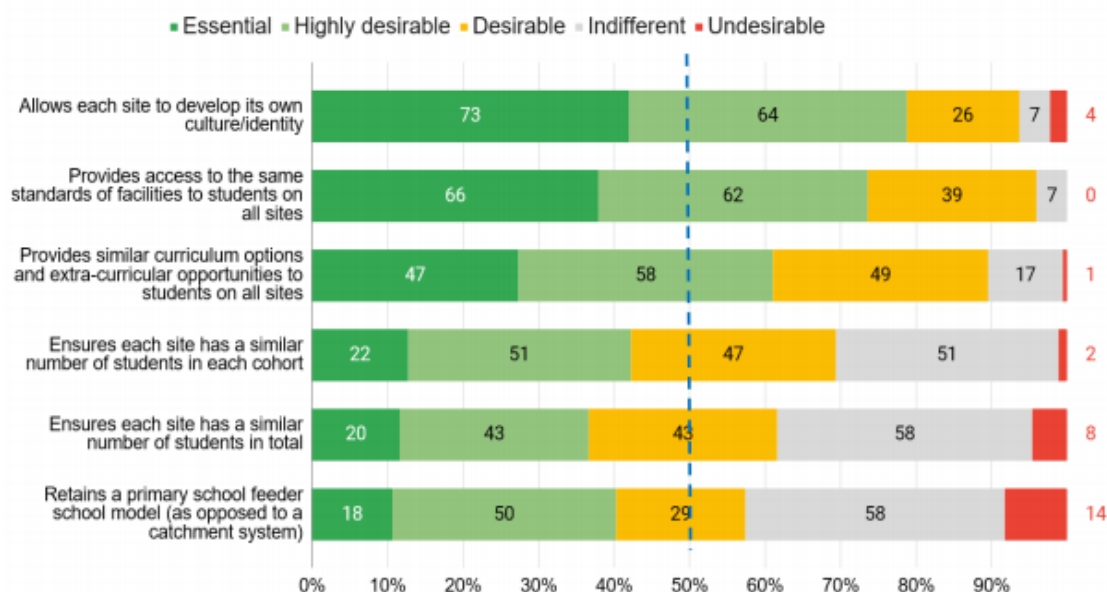
Table 5: Alignment of the preferred model to the Committee’s Guiding Principles

Alignment of the preferred model to preferences expressed through the staff surveys

35. There are several areas in which the staff survey data aligns with the Committee’s decision-making, as summarised below. Similar patterns of results were found across the secondary staff survey and the wider staff survey, consequently this data is not analysed separately here. Full secondary staff and wider staff survey results are publicly available.

Overall priorities for the future model of secondary education

All secondary staff: How important to you is it that the future model of secondary education...

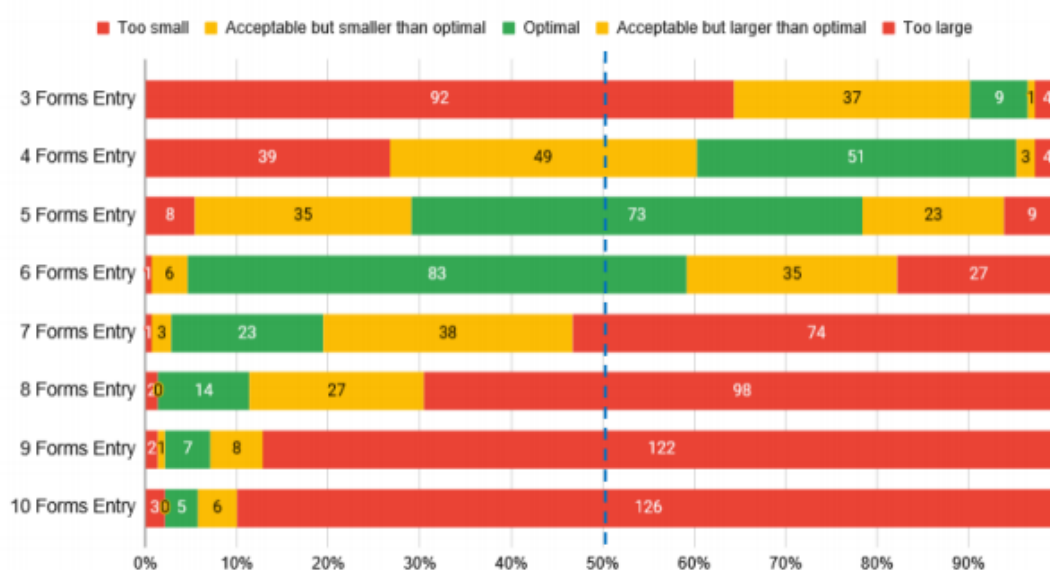


36. The Committee's preferred model is largely supported by the high-level priorities shared by secondary staff, as shown above. The model will allow each site to develop its own culture and identity. There will be equitable access to a more consistent quality of facilities than is the case in the existing model: currently, students at La Mare de Carteret High School experience a lower standard of facilities than students on the other three sites. As all three 11-16 schools will be the same size, curriculum breadth will be similar across the three schools. These priorities were considered essential or highly desirable by a majority of staff.

37. Each school will have similar numbers in each cohort, and as they are all 11-16, a similar number of students in total. Current assumptions are based on retaining a primary school feeder model as opposed to a catchment system. These priorities were considered essential, highly desirable or desirable by a majority of staff.

Optimal cohort sizes

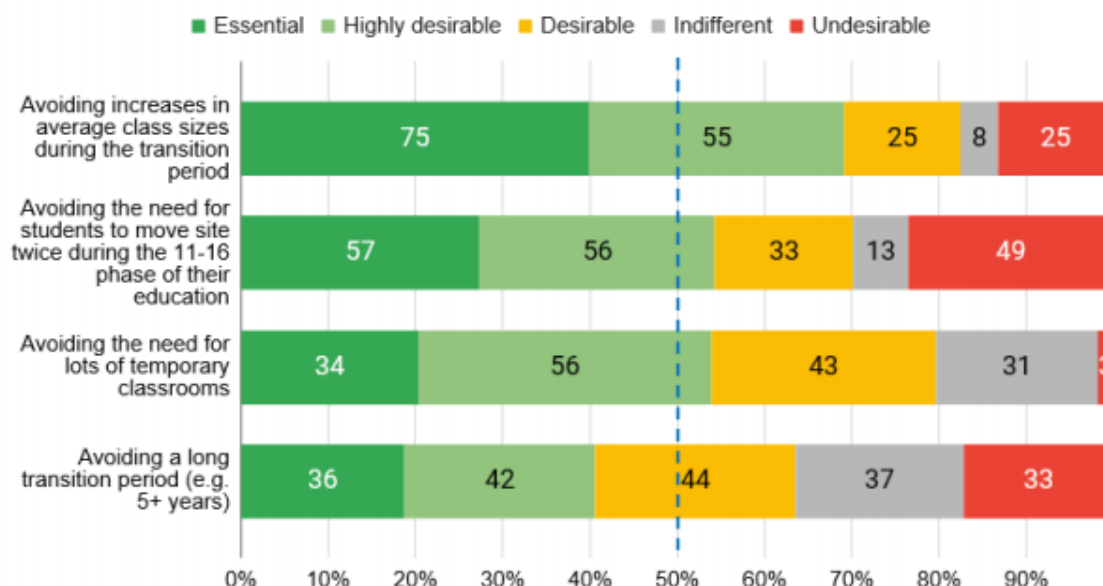
All secondary staff: What do you think is the optimal size of a cohort in Year 7 - Year 11 to provide students with the best possible educational experiences?



38. All three 11-16 schools will be designed for six forms of entry in each cohort; considered optimal by a greater proportion of staff (55%) than any other school size, as shown above.

Transition to the future model of secondary and Post 16 education

All secondary staff: How important to you are the following aspects in determining the transition model for the new model of secondary education?



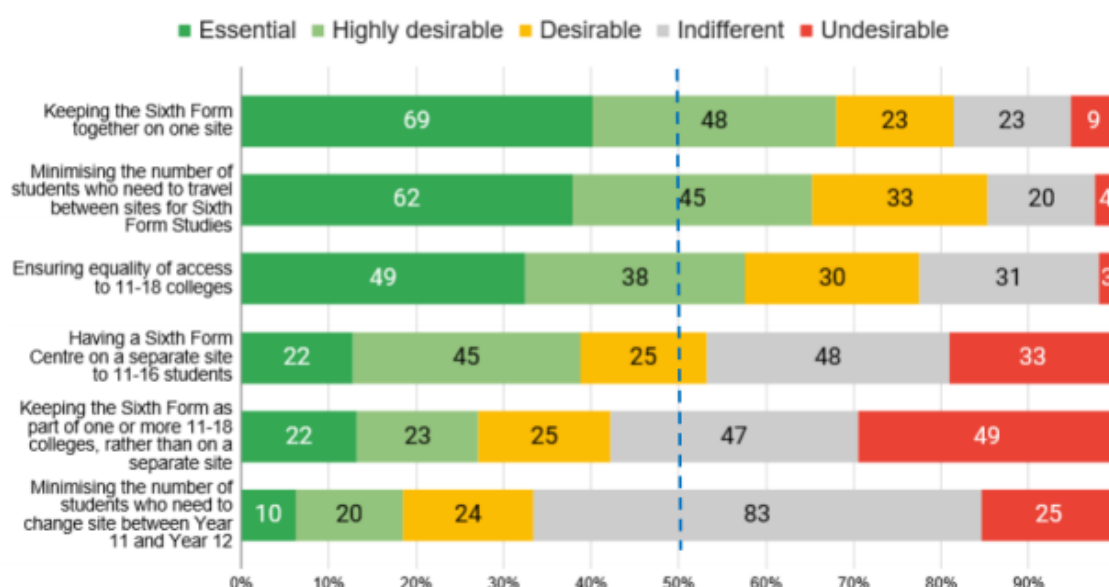
39. As outlined above the transition to the new model of secondary education is largely possible to achieve taking into account the preferences of staff. There will be no need for any learner to move site more than once during the 11-16 phase of their education, there is unlikely to be any requirement for temporary classrooms for

learners aged 11-16. All of these priorities were considered essential or highly desirable by a majority of staff.

40. A majority of staff also considered it at least desirable to avoid a long transition period. This model can be fully in place for September 2024: less than four years away, and by September 2027 all learners in 11-16 schools will have spent their full secondary education in the new model. As part of its ongoing scrutiny of revenue budgets, the Committee has decided to make adjustments to the current class size policy for reasons independent of the future model. Even with the adjusted class size policy, the vast majority of classes will remain below 25, with only 15% likely to fall in the 27-30 range.

The structure of the Sixth Form

All secondary staff: How important to you are the following considerations relating to the structure of Sixth Form?



41. The Committee's preferred model reflects staff priorities relating to the structure of the Sixth Form, as shown above, especially where there is a high degree of consensus. The Sixth Form will be together on one site, meaning no learners need to travel between sites for Sixth Form studies, or for mixed programmes with The Guernsey Institute. As all learners will attend 11-16 schools and then the Post 16 campus, there is no issue relating to equality of access to 11-18 colleges. These priorities were considered essential or highly desirable by a majority of staff.
42. A majority of staff (53%) considered it either essential, highly desirable or desirable for the Sixth Form to be located on a separate site to 11-16 students, as is the case in the proposed model. This is a greater proportion of staff than considered it desirable for the Sixth Form to remain as part of one or more 11-18 colleges (42%), with 30% considering this undesirable.

43. In the proposed model, all learners will move site between Year 11 and Year 12. The survey results suggest no strong preference amongst staff regarding moves between Y11 and 12, with 33% considering it at least desirable to minimise moves, 15% undesirable with a majority (51%) saying they were indifferent.

Capital priorities

44. The survey also asked staff to share views on a range of capital and revenue priorities. The following areas were considered essential by a majority of secondary school staff:

Facilities	Change compared to current provision
Parking for all staff	No changes to parking are planned on any of the 11-16 sites.
A separate Sixth Form work area (if the States decide on a model with one or more 11-18 colleges)	The Post 16 campus will create an adult learning environment and Sixth Form students will not be required to share a work area with 11-16 year old students.
A grass field	All sites will have a grass field as is currently the case.
Sufficient canteen/refectory space to avoid the need to stagger lunches	There are no changes planned to existing canteen/refectory spaces. All spaces meet the UK recommended space standards.
Department/faculty bases	There are no plans to change staff areas in any existing school.
Classrooms at least as large as UK recommendations for the number of students	There are no plans to make changes to classroom sizes or to build new classrooms in any of the 11-16 schools.

Table 6: Comparison of essential facilities

The following areas were considered essential or highly desirable by a majority of secondary staff:

Facilities	Change compared to current provision
Indoor social spaces for students	No changes to indoor social spaces are planned on the existing sites.
Central staffrooms at least as large as in your current school (scaled up in line with additional teachers)	No changes to central staffrooms are planned on the existing sites.
Increased areas allocated to SEND provision compared to your current school (scaled up if the number of students increases)	No changes to areas allocated to SEND provision are planned at St Sampson's.
Increased areas allocated to libraries compared to your current school (scaled up if the number of students increases):	No changes to libraries are planned on the existing sites.
A communication and autism base:	Each secondary school will have a CIAS Base provision
Separate staff showers:	no changes to separate staff showers are planned on the existing sites.
A 3G multi-use games area	no changes to sports facilities are planned on the existing sites.

Table 7: Comparison of essential and highly desirable facilities

The following areas were considered essential, highly desirable or desirable by a majority of secondary staff:

Facilities	Change compared to current provision
A swimming pool:	No changes to sports facilities are planned on the existing sites.
A second multi-use games area:	No changes to sports facilities are planned on the existing sites.
Co-location of health and social care and other staff:	No change planned.

Table 8: Comparison of essential and highly desirable and desirable facilities

45. When staff were asked to consider their top priority of those they had ranked essential, the most common top priority was increased areas allocated to SEND provision, followed by parking for all staff, followed by a grass field.

Revenue priorities

46. Staff also shared views on a range of revenue priorities. Beyond the centrally determined class size and target pupil teacher ratio policies, prioritisation within the revenue budget available to schools within the Secondary School Partnership will be the responsibility of school leaders.

Risks and Mitigations

Risk	Consequence	Mitigation
The policy proposals are not supported by the States	No funding is approved to progress with the detailed design work, thereby delaying the reorganisation of secondary and post 16 education	Ensure that sufficient opportunities are provided for the Committee to share its plans with stakeholders with opportunities to answer questions and to explain the overall strategy.
There is a lack of capacity in the construction industry (manufacturing, import of materials, lack of people etc.)	Potential delay to implementation and increased costs	Phased approach to build programme with individual tendering processes. Cross Committee working and close engagement with the construction industry.
Turbulence of change process has a detrimental impact on learner outcomes and school standards.	Learner well-being is affected by drop in standards and quality within schools. Longer-term detrimental impact on learner outcomes and skills development and preparation for the world of work which affects economic productivity.	Ongoing effective challenge and support for school leaders from the Education Office and services. Effective change management in place to support the workforce. Increased support for learners and families affected by school closure.
Delays in acquiring resources for the Secondary Reorganisation Project.	Delays to the delivery of essential workstreams and impact on quality of delivery by not having suitably skilled people in place.	Ensure internal processes facilitate agile recruitment for necessary roles takes place with enough lead-in time ready to move into the project delivery stage.
It proves impractical to align the timelines for the design and construction of the Sixth Form Centre with The Guernsey Institute, leading to two distinct capital projects focused on the same site (Les Ozouets).	Increased costs, increased disruption for learners. Delay to implementation. Loss of stakeholder confidence.	Ensure any dependencies and critical milestones are defined early in order to plan ahead successfully and prepare for critical points with mitigation plans in place to address issues.

Planning approval for The Guernsey Institute and Sixth Form site is not given.	Restricts the future effectiveness and flexibility of the site and therefore the achievement of some of the key objectives.	Ensure that the planning department is consulted as the plans are developed to ensure they align with existing policies and to avoid a situation where approval is not given.
The costs exceed the allocated budget due to assumptions made during high level modelling proving invalid or risks materialising.	Delay or non-completion.	Ensure that optimism bias is carefully managed during the planning stages in order to generate realistic project costs from the outset with contingency factored in. Continuous monitoring of risks.



Review of models of Secondary Education

2020 Interim Report

Statement on publication of Interim Report from Deputy Andrea Dudley-Owen, President of the Committee for Education, Sport & Culture

‘We have published the previous Committee’s incomplete Interim Report, which was originally circulated to all incoming States Members by the former Committee President just before he left office. This Committee has applied appropriate rigour and challenge on the assumptions it is based on and driven forward our own policy direction.

‘The detail and data contained within is incomplete, with work having stopped on it once the previous Committee left office and it is based on assumptions using the two-school model as a benchmark. Those assumptions led to capital costs attributed to the compared models that our Committee feels were not particularly useful, given our pragmatic view that it made

far more sense to benchmark other models in relation to what we actually deliver today. We felt very strongly about that, which is why we directed that any assumptions when looking at new models must be based on the system currently in operation.

‘Our Committee has certainly not discounted work undertaken as part of compiling this report. We carefully reviewed it all and much of it influenced our thinking, especially the consultation exercises carried out with staff. We hope the report is of interest to those in our community who, ahead of the debate on this subject in July, would like to understand the work carried out by the previous Committee before the October 2020 General Election.’

End

Review of models of secondary education

Interim Report: Selection of versions of models for inclusion in the review of secondary education and initial comparative information

The purpose of this document is to provide an update on progress on the review of secondary models to date. This interim report ensures relevant information is available to support the new Assembly, and particularly the next Committee *for* Education, Sport & Culture which will be responsible for making recommendations, to drive forward this important work. Work is under way to develop the models under review, with the aim ultimately being to provide the States of Deliberation with enough information to make an informed decision on the future model of secondary education. The versions of models included in the detailed analysis of the review have been shared with secondary school staff as part of consultation workshops currently taking place. This report provides the relevant background information on how those decisions were reached, and how the costs provided as part of the initial analysis were calculated.

All figures contained in this report are based on either industry-standard metrics or assumptions that have been consistently applied across all education models. It will not be possible to give definitive costs for any model without significantly more detailed planning, which is beyond the scope of this review. The high level figures included in this update report indicate likely cost brackets and allow comparisons between models. These costs are likely to change as further work takes place to refine the models included in the analysis and to develop in detail whichever model the States chooses.

1. Executive Summary

- 1.1. After consideration of the Requête 'Determining the best model for secondary education' P.2020/14 dated 28th January 2020, the States of Deliberation resolved to pause and review the plans for the restructure of secondary education. This Requête and resolutions can be seen in supporting document 1.
- 1.2. The scope of the review, including the models to be compared, the criteria against which they are to be evaluated and the timeline for the review were agreed by the States on 20 March 2020 after debating the Policy Letter 'Review of the Structure of Secondary Education – Next Steps' P.2020/51, submitted by the Committee *for* Education, Sport & Culture which resolved that;
 - The Secondary Education Models to be reviewed should include:
 - Two 11-18 colleges (Option A: the baseline model against which other models should be compared)
 - Three 11-18 colleges (Option B)

- Two 11-16 colleges and one 11-18 college (Option C)
- Three 11-16 colleges and a separate sixth form college on a different site (Option D)
- The models should be compared against a range of criteria including quality of education, value for money, infrastructure and organisational considerations
- The review should allow the opportunity to discuss space standards, configuration of space and day-to-day operations
- The Policy Letter is to be submitted to the States before 28 April 2021

The full Policy Letter and resolutions can be seen in supporting document 2.

- 1.3. On 29 June 2020, the Terms of Reference for the review were published by the Committee *for* Education, Sport & Culture, after consultation with education leaders and union representatives. The full Terms of Reference are included in supporting document 3.
- 1.4. Between 29 June and 10 July 2020, staff working within the four mainstream secondary schools which are part of the review and staff across the wider education sector completed surveys to inform the initial analysis of models. The results of these surveys were shared on 23 July and are included in supporting document 4.
- 1.5. A similar survey for the wider public has also been carried out. The next Committee for Education, Sport & Culture will determine when the results of this survey will be published. These results will inform the next phase of analysis/consultation with secondary staff as well as any final recommendations.
- 1.6. The States have agreed that the review should include like for like comparisons. In order to provide sufficiently detailed comparative information, including costings, it is necessary to define (at least provisionally) key information within each of the models. This includes the sites that are likely to be selected, and the likely distribution of students across them. The aim is to compare an agreed “indicative best possible version” of each of the models. Whilst it will be possible to revisit these assumptions and make changes once the States agree on the future model of education, it will serve as a useful starting point and indicator of likely costs and potential challenges in any of the models.
- 1.7. Consultation has taken place with various stakeholder groups to agree versions of each of the models to be included in the analysis. Multiple variations of some of the models will be compared; including a variant of the two 11-18 colleges model which uses the Les Varendes site instead of the Les Beaucamps site, a variant of the two 11-16 colleges and one 11-18 college model which separates the 11-18 college into an 11-16 college and an operationally separate Sixth Form College located on the

same site, and three versions of the model which includes three 11-16 colleges and a separate sixth form college on a different site, which compares Les Beaucamps, Les Varendes and La Mare de Carteret as potential locations for a separate Sixth Form College.

- 1.8. Initial analysis has been carried out on all of these models. This report contains a high level summary, including comparisons of key aspects of each of the models and indicative costs of providing the facilities to which all students would have had access in the baseline two 11-18 colleges model in each of the other models. This is shown in sections 14 - 16. Further detail will be provided over the course of the review.
- 1.9. Further analysis will seek to create an “indicative best possible version” of each of the models at different cost brackets, through consultation with staff and other key stakeholders. This will draw on the consultation about how spending should be prioritised were the States to decide to increase or decrease the space allocation or level of capital expenditure from that agreed for the baseline two 11-18 colleges model. It will then be possible to make “like for like” comparisons between what can be delivered in each of the models at different levels of expenditure. This will enable an informed decision irrespective of whether the States are willing to spend more or less on secondary education. This is important because it may be that a model which is considered most preferable in the absence of financial information is more expensive, and for any given budget would deliver reduced facilities or compromised educational provision compared to alternatives, which may then become more preferable. Conversely, a model which is not considered preferable but is less expensive could become more preferable with consideration of the additional facilities, or improved education provision, that could be provided at the same cost bracket of a more expensive model. This analysis will be published.
- 1.10. After the October 2020 election, the new Committee *for* Education, Sport & Culture will determine any further consultation and engagement to allow staff, students and the wider community to express their views before presenting its recommendation(s) to the States, with a full evaluation of each of the models according to the criteria agreed in the March 2020 Policy Letter (listed in section 18.4). This analysis and recommendations will be detailed in a Policy Letter to be submitted to the States before 28 April 2021.
- 1.11. Whilst the information provided as part of the review can be objective, decisions about the relative importance of each factor and thus a decision about the optimal future model of education can only ever be subjective: it will be possible to draw different, valid conclusions based on the same information. The review will therefore not seek to make any overall recommendation, but to give detailed, comparative information which will support informed discussions about the relative merits of each of the possible models at different cost brackets. It is clear that there

is no model which can deliver everything considered important by key stakeholder groups, and prioritisation of these various factors will be key in determining the future model. These decisions will be made by elected representatives. The information collated as part of the review will be provided to the new Committee, once appointed, and the Policy Letter will then draw on both the information provided as part of the review and the priorities set by the Committee *for* Education, Sport & Culture. The decision about the future model will then be made by the States of Deliberation.

- 1.12. Once the States have agreed the future model of secondary education, assumptions made in the indicative versions of models included in the review can be revisited, and the Committee will return to the States with detailed plans. It will be possible to revisit assumptions about site choices, the distribution of students across sites, capital and revenue expenditure and key operational details. Consultation with staff, students and other stakeholder groups will continue over this period.

2. Consultation and engagement

2.1. Summary of approach

- 2.1.1. The review is being conducted collaboratively, taking into account the views of staff and other stakeholder groups wherever possible. Regular meetings have taken place with the Negotiating Committee for Teachers & Lecturers in Guernsey (NCTLG), which represents a range of unions of education staff. These representatives have influenced the Terms of Reference, the secondary staff survey (which formed the basis of the wider staff survey and public survey) and plans for workshops with secondary staff. Detailed information was shared with NCTLG regarding the decisions about which version of each of the models should be included in the analysis. Several changes have been made as a result of feedback shared by these representatives, including the addition of Option C2 to the list of models to be included in the review, which includes an operationally separate Sixth Form on the same site as an 11-16 school, in place of the 11-18 college included in Option C1. Meetings have also taken place with secondary Headteachers and wider education leaders, particularly regarding input into the versions of each of the models to be included in the analysis.
- 2.1.2. The review is being conducted with transparency: the Terms of Reference and survey results have been published, this interim report provides an detailed update on all work on the review completed to date and all relevant material will continue to be published as the review progresses.
- 2.1.3. The review will involve appropriate independent oversight. Advocate Peter Harwood, who was formerly Chief Minister and who is currently a member of the Scrutiny Management Committee, has been appointed as the independent overseer of the review. He will confirm that the review is conducted in a way that it is transparent, objective and consistent with the terms of reference and that any conclusions drawn are guided by evidence.

- 2.1.4. Peter Marsh Consulting (PMc) has been appointed as an independent specialist in education to verify the technical analysis of models and confirm the work is robust, accurate and comprehensive. PMc were previously jointly commissioned by the Policy & Resources Committee and the Committee for Education, Sport & Culture to provide an independent assessment of the size of the extensions that would be necessary to create the two previously planned colleges on the St Sampson's and Les Beaucamps sites. They were appointed after the decision regarding the model was taken and after the sites had been selected. They were not involved in any design work. The role of PMc during the review is not to recommend any particular model, but to verify the accuracy of the technical analysis, which will inform the recommendations made by the future Committee. It was an advantage to appoint a firm already familiar with the Guernsey education estate, particularly given travel restrictions relating to the COVID-19 pandemic. PMc are also advising on the space requirements for The Guernsey Institute development.
- 2.1.5. Gardner and Theobald (Quantity Surveyors who are specialists in the education sector and have worked on several previous education projects in Guernsey) have validated figures used in the capital cost calculations.
- 2.1.6. Phil Eyre, Founder of Leaders Consultancy and Managing Director of The Learning Company, has been appointed as an independent facilitator to facilitate workshops with secondary school staff during the autumn term to ensure full and frank debate is encouraged and all views are heard.
- 2.1.7. There have also been many contributions to aspects of the review from areas of the States beyond education, including from Property Services, Finance, Data and Analysis, Population Management Team and Human Resources.
- 2.2. **Opportunities for input into decisions about the versions of each model to be included in the analysis**
- 2.2.1. In order to provide sufficiently detailed information about the models included in the review, including likely capital costs, it is necessary to narrow the possible versions of each of the models to allow more detailed analysis. This required initial analysis and consultation to determine the version (or versions) of each of the models to be analysed in more detail as part of the review.
- 2.2.2. Analysis was shared with a number of stakeholder groups including Headteachers, wider school senior leadership teams and education leaders representing other sectors. There was a high degree of consensus about which of the version(s) of each of the models to include in the review and all of the preferred versions have been included in the detailed analysis.
- 2.2.3. Discussions were also held with union representatives to ensure they were fully sighted and had the opportunity to feed into the process.

2.3. Opportunities for input into the prioritisation within each of the models

- 2.3.1. Further analysis will seek to create an “indicative best possible version” of each of the versions of models at different cost brackets, through consultation with staff and other key stakeholders. It will then be possible to make comparisons between what can be delivered by each of the models.
- 2.3.2. Initial consultation about the structure and scope of the staff survey took place with union representatives and adjustments were made as a result of their feedback. The survey asked staff to consider the relative importance of a range of priorities for the future education system. These included priorities for the structure of the Sixth Form, the transition to the future model, optimal school sizes, and priorities for capital and revenue expenditure.
- 2.3.3. This was then adapted to create a version for wider staff across the States’ education sector, which did not include anything additional, but removed some questions which related directly to secondary staff. Detailed results of both of these surveys were shared with staff and then published and can be found in supporting document 4.
- 2.3.4. On 20th August 2020, a public version of this survey was launched. This asked the same questions with the exception of those relating to priorities for revenue expenditure, which require a deeper understanding of the operational running of schools.
- 2.3.5. The same questions, with additional explanations in language which is likely to be more accessible to students, were shared with the Youth Commission, who have run sessions with students in each of the four schools and the Sixth Form Centre. Relevant feedback from these student workshops has been shared with staff taking part in the capital workshops. Plans are also being developed to engage with other stakeholder groups, such as third sector, douzaines and business groups before any recommendations are made.
- 2.3.6. Initially, secondary staff survey results were used to provide a starting point to prioritise capital and revenue spending at different levels of expenditure. This information formed the basis for conversations in workshops with secondary school staff which are taking place over the autumn term. Staff are using this analysis, along with the results of the wider staff and public surveys and feedback from the student consultations to create an optimised version of each of the models at defined cost brackets.
- 2.3.7. Details of each of the optimised models will then be shared publicly to allow informed comparisons between the models. A further phase of further consultation is likely before recommendations are made to the States. As this will take place after the election, once new Committees have been appointed, the future Committee *for* Education, Sport & Culture will need to agree the structure and extent of this consultation, which will inform the recommendation made by that

Committee to the States of Deliberation. The aim will be to provide sufficient information about all of the models included in the comparison that a decision regarding a future model can be reached even in the event that the States do not accept the recommendations put forward by the Committee *for* Education, Sport & Culture.

3. Explanation of approach to selecting versions of models for inclusion in the review

- 3.1. The review will aim to strike an appropriate balance between the provision of detailed information about each of the models and reaching a conclusion in a reasonable timeframe and at a reasonable cost. It will be necessary to provide more specific detailed information than was provided for the proposals for the (then) Alternative Model debated in January 2018, which was approved in principle but without an indication of which sites would be used or of the likely facilities which would be delivered on those sites. It will not, however, provide the level of detail which was reached for the proposals for the two 11-18 colleges by the time of the September 2019 debate, which included detailed architectural plans. Successive Committees have taken around 18 months to develop plans for one model to this level of detail. To do so for multiple options would prove prohibitively time consuming and costly.
- 3.2. This will require moving beyond high level discussions about the theoretical merits of various models to provide quantitative information about what can be delivered in each of the models at various cost brackets. To reach this level of detail, it is necessary for at least provisional decisions to be made about the sites that would be used and the distribution of students across these sites, so that the likely capital costs of building work can be quantified. It will be possible for a future Committee to review these decisions or to adapt models from the indicative versions included in this review, but the level of detail provided should allow sufficient comparative information for a decision on the future model to be reached.
- 3.3. Reaching this level of detail requires a narrowing of the many possible options for implementation of each of the models included in the review. This requires initial assumptions to be made. These, along with the rationale for each of them, are detailed below.

4. Sites for consideration limited to existing four secondary sites

- 4.1. Successive Committees, with the support of Property Services, have evaluated potential sites for secondary education and concluded that none exist that would be more appropriate for secondary education than the existing four secondary school sites. This review has therefore proceeded on the basis that no further sites are included in the comparisons. This assumption could be revisited by a future Committee. Assuming any new site required an entirely new build, the cost information modelled for the La Mare de Carteret site as part of this review could be translated directly across to a new site with the exception of flood defences, estimated at £650,000 for the La Mare de Carteret site. This would require

additional time factored in for identification of sites, negotiating the purchase and any necessary change of use permissions.

- 4.2. The States agreed in March 2020 that progress on the development of The Guernsey Institute should not be impeded. The option of using Les Ozouets as the site for a separate Sixth Form Centre in Option D was therefore discounted, as it would have prevented the development of work on detailed plans for The Guernsey Institute until a conclusion is reached on the future of secondary education, leaving students in inadequate accommodation across the three College of Further Education sites for longer.
- 4.3. St Sampson's and Les Beaucamps are the Island's two most recently built and modern school buildings. The accommodation is currently fit for purpose and is likely to remain so for a substantial period of time. It is assumed the existing St Sampson's and Les Beaucamps sites would be extended if required to accommodate an increased number of students compared to the number for which they were originally designed. Depending on the planned number of students, some rooms in the existing buildings would be repurposed, but there is no need for significant refurbishment. The repurposing of some rooms would maximise the use of space, ensuring that the appropriate space requirements for each subject area can be met consistently across the secondary estate and allowing each subject area to remain contiguous.
- 4.4. It is assumed that while the Sixth Form Centre would only require minimal repurposing depending on the use of the site, the existing Grammar School building would need significant work to be upgraded to the standard of St Sampson's and Les Beaucamps and to ensure the building continues to be fit for purpose for education. This becomes more feasible the lower the number of students on the site, both during the transition period and in the final model. Further detail about the refurbishment required is included in section 5.
- 4.5. The La Mare de Carteret site is the lowest ranked priority for inclusion: it is included only in Option D, which requires four different sites. Plans would need to be developed in conjunction with plans for the new La Mare de Carteret Primary School. The poor physical condition of the existing school - which is now being used many years after it was originally intended - would require the construction of a new school in its entirety rather than additional development required at the Les Beaucamps and St Sampson's sites or the upgrading required on the Les Varendes site. Using La Mare de Carteret as one of the three sites in Options B and C would add significantly to the capital costs. Based on a like for like comparison in line with the baseline model, the additional cost of using the La Mare de Carteret rather than the Les Varendes site (in conjunction with the St Sampson's site and the Les Beaucamps site) would be between £19 million and £30 million more depending on the number of students on the site.
- 4.6. Based on this analysis it is considered that:
 - The Sampson's site should be included in all possible models;

- Both the Les Beaucamps site and the Les Varendes site are preferable to the La Mare de Carteret site;
- Recognition of the strength of community feeling about the necessity of generous outdoor space means it is worthwhile examining a version of Option A which utilises the Les Varendes site rather than the Les Beaucamps site.

4.7. Option A will therefore be modelled across St Sampson's and Les Varendes as an alternative to St Sampson's and Les Beaucamps. A version of Option A based at Les Beaucamps and Les Varendes has not been included because this would be less well suited to the population distribution, more expensive, and retain the concerns relating to lack of outdoor space at Les Beaucamps as well as the more challenging transition at Les Varendes. It would also remove the benefits of having a school co-located with Le Murier. Options B and C, which require three sites, will be modelled across St Sampson's, Les Beaucamps and Les Varendes. Option D, which requires four sites, will be modelled across all four existing sites. This is summarised in the table below.

Table 1: Preferred sites in each of the models included in the review.

Option	Number of sites required	Preferred sites for indicative modelling
A: Two 11-18 colleges	2	St Sampson's Les Beaucamps OR Les Varendes
B: Three 11-18 colleges	3	St Sampson's Les Beaucamps Les Varendes
C: Two 11-16 colleges and one 11-18 college (integrated or operationally separate Sixth Form)	3	St Sampson's Les Beaucamps Les Varendes
D: Three 11-16 colleges and a separate sixth form college on a different site	4	St Sampson's Les Beaucamps Les Varendes La Mare de Carteret

5. Repurposing and refurbishment at Les Varendes

5.1. The current Grammar School building at Les Varendes (excluding the Sixth Form Centre) was designed to smaller space standards than today's guidance in BB103, the current space allocation provided by the UK's Department for Education. The States have instructed that the review provides like for like comparisons with the

baseline two 11-18 colleges model, which was planned to BB103 specifications (using classroom sizes for 30 despite Guernsey's smaller average class size policy of 24). Ensuring at least these space standards was highlighted as an area of importance for staff through the staff surveys: 55% secondary staff respondents considered it essential that classrooms are at least as large as UK recommendations for the number of students, with 90% considering it at least desirable. Amongst wider education staff 50% considered this essential, with 90% considering it at least desirable. As such, modelling is based on repurposing and remodelling a proportion of rooms to meet BB103 requirements. The cost, and extent of disruption, could be reduced in any model involving Les Varendes if classrooms remained below BB103 specifications.

- 5.2. Professional property advice is that the current school buildings at Les Varendes would require extensive refurbishment to bring them up to the standards of the secondary schools built more recently. The Grammar School was opened 35 years ago and much of the building's systems and plant are at the end of their useful life. This currently adds additional costs to annual revenue budgets as significant maintenance is required. Major refurbishment needs were identified in 2013 and a request for £16.8 million was submitted in March 2013 for 2014-2017 Capital Prioritisation. Since then a total of £2.184 million has been spent on the site, but the bulk of the improvements identified in 2013 remain outstanding and the building continues to require significant maintenance work annually.
- 5.3. Any future model which utilises the Les Varendes site will require works to upgrade services (for example, plumbing and heating) as well as the continuation of replacement of key building components (for example, windows and roofing) in order to meet current statutory regulations and bring the building up to a suitable standard for longer term use. Giving parity of facilities across sites would also require improved sports facilities, including repairing the swimming pool which is currently not in use.
- 5.4. For the purposes of providing a like for like comparison across the models, initial modelling has assumed the same standards of facilities across all sites. It would be possible to reduce costs in any model that included Les Varendes if it was decided not to upgrade the site and its facilities to give parity with other sites. It is likely that this would mean higher revenue costs as a higher level of building maintenance would be required and would require further capital expenditure in the future.
- 5.5. The greater the final number of students who will be on the site, the more extensive the repurposing required and the greater the disruption to students and staff during the transition phase. It would be more cost effective to deliver this improvement programme in larger packages of works which would reduce the

overall construction programme. This refurbishment would require the number of students on the site to be significantly reduced while the works were carried out.

- 5.6. A number of transition models are being considered for each of the models included in the review. Depending on the extent of the planned repurposing and refurbishment, it may be possible to keep the site operational, albeit with a reduced number of students. Based on information provided by the current school leadership team about the proportion of rooms which could be taken out of use at any one time, the maximum number of students it is expected could be on site during refurbishment is the equivalent of three 11-16 year groups plus Sixth Form students for a minimum of two years. This would mean either: substantial investment in temporary accommodation (depending on site plans), some year groups moving to other sites or some years in which Year 7 students are split across the other three sites. This will vary depending on the planned capacity of the site. Exact plans would be refined once a conclusion is reached on the future model of secondary education.

6. Numbers of students

- 6.1. The States' resolution requires comparison to the benchmark of Option A: two 11-18 colleges. These plans were based on the assumption of a maximum capacity of 10 forms of entry/classes per year in each site, plus half of the Sixth Form students on each site: a capacity of 1200 11-16 year olds on each site, with 200-250 Sixth Formers, giving a total capacity of 2800-2900. This would have been required during the peak population years in the early-mid 2020s, and would then have declined quite quickly: current population data indicates that by 2025/26 (the earliest any new model could now be implemented), the total 11-18 school population would have dropped below 2600. This is expected to decline further, dropping below 2500 by 2028/29, below 2400 by 2029/30 and below 2300 by 2031/32. Long-term projections provided by Population Management predict a further decline, with the total currently expected to decline below 2100 by 2047/48. In other words, factoring in the later completion date, were new colleges (in any of the models) built for the previously planned capacity they would be operating at less than 90% capacity either on opening or within a year and 80% capacity within five to six years, with a continued decline in numbers expected based on Population Management data.
- 6.2. Given the need to provide a like for like comparison with the baseline model, it has been assumed that all models would be designed around a capacity of 20 forms of entry (classes in each year across all sites). However, given the expected population decline described in section 6.1 above, it would be possible in any model to adjust plans to reduce the total capacity in order to factor in the likely reduced school

population by the time the works are completed. This would reduce costs in any model.

- 6.3. It has been assumed that if capacity of 20 forms of entry was to be divided across three sites, no site should have five or fewer forms of entry or nine or more forms of entry, to ensure schools are of similar sizes. This gives rise to six possible combinations of six, seven and eight forms of entry for each combination of three sites as shown in Table 2 below.

- 6.4. Table 2: Possible distributions of 20 forms of entry (FE) across three sites included in initial analysis.

	Site A	Site B	Site C
1	8FE	6FE	6FE
2	6FE	8FE	6FE
3	6FE	6FE	8FE
4	7FE	7FE	6FE
5	7FE	6FE	7FE
6	6FE	7FE	7FE

- 6.5. It is assumed that in Options A1 and A2 students would be split evenly across the two sites.
- 6.6. It is assumed that in Option B1, Sixth Form students are split evenly across the three sites. These assumptions could be revisited to examine the implications of alternative splits.
- 6.7. It is assumed that in Model C, in which all Sixth Form are on the same site as one 11-16 school (either integrated (in C1) or operationally separate (in C2)) the site on which the Sixth Form was located would have six forms of entry of 11-16 year olds rather than seven or eight, to ensure total school sizes were kept more even.
- 6.8. The assumptions above reduce the many possible versions of models to a longlist of versions within each option. These are shown below.

Table 3: Number of versions of each option generated by assumptions detailed in Sections 4 and 6.

Option	Versions of options in longlist	Explanation
A: Two 11-18 colleges	2	10FE and half on Sixth Form on each site: two different site combinations
B: Three 11-18 colleges	6	Six possible splits of 20FE across the three selected sites, as shown in Table 2.
C: Two 11-16 colleges and one 11-18 college (integrated or operationally separate Sixth Form)	9	Six possible splits of 20FE across the three selected sites, as shown in Table 2, with a Sixth Form on the same site as any of the 6FE options.
D: Three 11-16 colleges and a separate sixth form college on a different site	24	Four possible sites for a Sixth Form College, with six possible splits of 20FE across the remaining three sites.

7. Selecting version(s) of each of the models for detailed analysis

- 7.1. All possible combinations listed in Table 3 were costed, and various other pieces of information collated and shared with stakeholder groups. This included information regarding the distribution of students and feeder school models. Educational factors were discussed; for example, the value of proximity of Sixth Form provision to The Guernsey Institute to better facilitate mixed courses and the desire for an 11-16 school to remain at St Sampson's co-located with Le Murier School. Further detail on the process of costing models is detailed in section 16.
- 7.2. A systematic approach was taken, with transparency about assumptions made. As described in section 2.2, discussions about each of the versions of each model took place with secondary headteachers and their wider senior leadership teams, as well as leaders of other education sectors, such as primary, post-16, inclusion and special educational needs and disabilities, with all groups invited to share feedback. All analysis was shared with NCTLG.
- 7.3. Education leaders considered which versions of the models could support delivering the best possible educational outcomes in order to determine which version(s) of each model should be developed in detail for inclusion in the review. The versions of the models were not assigned overall scores based on different criteria: recommendations were reached through discussion in which participants were encouraged to consider the relative importance of different factors using their

professional judgement. The factors involved are shown in the table below.

Table 4: Factors involved in determining versions of each model to be included in the review

Criterion	Explanation
Optimising the feeder school model	Survey feedback indicated that the feeder school model was considered desirable or highly desirable by a majority of all staff groups with the exception of staff at the Grammar School and Sixth Form Centre. Possible combinations of feeder school models were explored for each of the possible distributions of forms of entry. It was considered desirable for primary schools in receipt of additional social priority funding to be linked to different secondary sites.
Even distribution of students	A more even distribution of students across schools was considered preferable to a less even distribution: two seven form entry schools and a six form entry school is more desirable than one eight form entry school and two six form entry schools.
Possible transition models: minimising disruption	High level assumptions were made relating to the level of challenge a transition from the current model to possible future models might present. The main driver is the number of students expected to be on the Les Varendes site in the final model. The more students on the Les Varendes site, the more repurposing is required and the lower the capacity elsewhere in the education estate to accommodate students during the transition period: where numbers are higher on other sites, works could be phased to build these extensions first, creating additional space which would allow for numbers at Les Varendes to be reduced.
Making best use of the existing estate	Various considerations relating to the existing estate were taken into account. It was considered desirable to continue the co-location of Le Murier School with an 11-16 or 11-18 school on the St Sampson's High School site in all models. It was considered desirable to continue to utilise the existing Sixth Form Centre at Les Varendes for use by Sixth Form students, in part because of the purpose built accommodation and in part because of the proximity to Les Ozouets, to better facilitate mixed programmes with the future Guernsey Institute.
Criterion	Explanation

Costs	The costs of providing the same facilities to which all students would have had access under the previously planned two 11-18 colleges model were calculated for each of the possible options on each site, and then compared for each of the potential combinations. Further information relating to key cost drivers is detailed in section 16.1, with an explanation of how indicative costs were calculated in section 16.3.
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8. Versions of models to be included in the review

- 8.1. After the discussions detailed in section 7 above, feedback and recommendations were collated and shared with the Committee *for* Education, Sport & Culture. The Committee accepted all recommendations from senior educationalists, and therefore all recommended versions will be included in the detailed analysis.
- 8.2. The confirmed shortlist of versions of each of the models is shown in Table 5, below. Reducing the many possible variations to this shortlist will enable sufficiently detailed development of each to allow for like for like comparisons and costings to be provided. There may be evolution of these models as the analysis progresses, and variations could be revisited whichever future model is selected. Sections 9 to 12 explain the rationale for these decisions for each model.
- 8.3. Table 5: Summary of versions of models to be included in the detailed review

Option	Versions to be included in detailed review
A: Two 11-18 Colleges	A1. 10FE + half Sixth Form at Les Beaucamps 10FE + half Sixth Form at St Sampson's A2. 10FE + half Sixth Form at St Sampson's 10FE + half Sixth Form at Les Varendes
B: Three 11-18 Colleges	B1. 6FE + a third of Sixth Form at Les Beaucamps 7FE + a third of Sixth Form at St Sampson's 7FE + a third of Sixth Form at Les Varendes

C: One 11-18 College and two 11-16 Colleges	<p>C1. 7FE at Les Beaucamps 7FE at St Sampson's 6FE + full Sixth Form at Les Varendes (integrated 11-18)</p> <p>C2. 7FE at Les Beaucamps 7FE at St Sampson's 6FE + full Sixth Form at Les Varendes (operationally separate Sixth Form located on the same site as an 11-16 college)</p>
D: Three 11-16 Colleges and a separate Sixth Form Centre on a different site	<p>D1. 6FE at Les Beaucamps 6FE at St Sampson's 8FE at Les Varendes Separate Sixth Form Centre at La Mare de Carteret</p> <p>D2. Separate Sixth Form Centre at Les Beaucamps 6FE at St Sampson's 8FE at Les Varendes 6FE at La Mare de Carteret</p> <p>D3. 6FE at Les Beaucamps 6FE at St Sampson's Separate Sixth Form at Les Varendes 8FE at La Mare de Carteret</p>

9. Option A: Two 11-18 Colleges

- 9.1. Modelling is based on the assumption that in Option A, both 11-16 students and Sixth Form students would be split equally between the two colleges. This would mean capacity for 10FE (1200 11-16 year olds) plus between 200 and 250 Sixth Form students on each site, in line with the baseline model. Although this would mean capacity for 1400-1450 students on each site, population data indicates that the expected number on each site would be below 1300 by 2025/26 and below 1200 by 2029/30.
- 9.2. The baseline model selected St Sampson's and Les Beaucamps as the sites for two future 11-18 colleges. However as plans developed, it was clear that a significant number of staff and members of the public considered that Les Varendes would have been a more desirable site than Les Beaucamps. Lengthy consideration had been given to which of the two sites was most preferable prior to announcement of the decision and it was acknowledged by the Committee that each had advantages and disadvantages.

9.3. Les Beaucamps is the newest of the four schools and is built to very high specifications. The existing building needed very minimal refurbishing, which would have minimised disruption to students in the transition phase. However, the limits to the size of the Les Beaucamps site mean that for numbers higher than approximately 720 students (at previously agreed space standards) building would need to take place on the existing sports pitches. This means that the school could either have two sports pitches/multi use games areas (MUGAs), or one pitch and a grass field. The preference of the majority of school PE leads during the consultation phase was to have two sports pitches, but it is clear that there is a strong preference for the retention of a grass field from some sections of the community, and from staff, as evidenced in the recent staff surveys for this review (see supporting document 4). The Committee had explored options for purchasing additional land adjacent to or near the Les Beaucamps site in order to provide a playing field, but this had not been possible without compulsory purchase of land. A future Committee could explore this option for any model including Les Beaucamps if it chose to do so.

9.4. Les Varendes is closer to the largest urban centre in the Island, can provide sports fields on site (currently owned by the Old Intermediaries) and has a Sixth Form Centre built in 2005. It has more surrounding land but the building requires extensive refurbishment, requiring sections of the building to be vacated during works. Selecting Les Varendes as the second site in the two 11-18 colleges model would therefore mean a more expensive model to deliver the same facilities and a more disruptive transition period, but it could potentially provide a grass field in addition to two multi use games areas, as would be provided at the St Sampson's site. Les Varendes is very close to Les Ozouets, the site planned for the new purpose-built facilities for higher and further education. Using both sites could provide educational advantages and support mixed programmes across the two sites, but substantially increasing the number of students on both sites would put additional pressure on the transport infrastructure around them.

9.5. Due to the extent of concern expressed about the Les Beaucamps site for this model, a variation of Option A with 11-18 colleges at St Sampson's and Les Varendes will be explored in addition to the baseline model with colleges at St Sampson's and Les Beaucamps. This model will be referred to as A2. This will mean the States have the information available to debate the models irrespective of concerns which are limited to particular sites.

10. **Option B: Three 11-18 Colleges**

10.1. For the purposes of this review it is assumed that three 11-18 colleges would be based at St Sampson's, Les Beaucamps and Les Varendes. Financial modelling indicates that this combination is a minimum of £28 million less expensive than

building a new school at La Mare de Carteret rather than using the Les Varendes site.

- 10.2. Initial analysis is based on the assumption that the required capacity of 20FE across the 11-16 phase would be divided into either one 8FE and two 6FE colleges, or two 7FE and one 6FE colleges. Initial modelling is based on the assumption that which were discussed in detail with the stakeholder groups involved in the initial consultation.
- 10.3. Cost modelling indicated that the most cost-efficient way of implementing this model would be to retain St Sampson's as a 6FE entry school in the 11-16 phase, and extend it to accommodate a third of Sixth Formers, to extend the Les Beaucamps site to accommodate 6FE rather than the current 5.5FE, plus a third of Sixth Formers, and to have an 8FE school plus the remaining third of Sixth Formers on the Les Varendes site. However, a distribution of capacity of 7/7/6 rather than 8/6/6 is preferable because it keeps numbers across sites more even, and having fewer students on the Les Varendes site minimises disruption during the transition period. The most cost-efficient way of achieving this is to have 6FE and a third of Sixth Form students at the Les Beaucamps site, and 7FE and a third of Sixth Form students at each of St Sampson's and Les Varendes. Based on initial modelling this was estimated to cost £305,000 more than the least expensive option. This cost was judged by the stakeholders involved in the consultation to be justifiable given the benefits of a more even distribution of students and a less challenging transition as a result of the less extensive works required at Les Varendes for a 7FE college compared to an 8FE college. The Committee accepted this view and this version of Option B has therefore been selected for inclusion in the review.
- 10.4. This would mean capacity for 6FE (720 11-16 year olds) at the Les Beaucamps site, and 7FE (840 11-16 year olds) at St Sampson's and Les Varendes plus capacity for between 133 and 150 Sixth Form students on each site in line with the baseline model. Although this gives a total capacity of 2800-2900, population data indicates that the expected number on the two larger sites would be below 900 by 2026/27 and below 800 by 2031/32. On the Les Beaucamps site, expected numbers would not exceed 800 and would be below 700 by 2031/32.
11. **Option C: 1 x 11-18, 2 x 11-16s**
 - 11.1. For the purposes of this review, it is assumed that the three colleges would be based at St Sampson's, Les Beaucamps and Les Varendes. Initial modelling indicated that this combination is a minimum of £19 million less expensive than building a new school at La Mare de Carteret rather than using the Les Varendes site.

- 11.2. Initial analysis is based on the assumption that the required capacity of 20FE across the 11-16 phase would be divided into either one 8FE and two 6FE colleges, or two 7FE and one 6FE colleges. Initial modelling is based on the assumption that the Sixth Form students would be on the same site as a 6FE 11-16 school (rather than 7FE or 8FE). This generated nine options for the distribution of students, which were discussed in detail with the stakeholder groups involved in the initial consultation.

- 11.3. Table 6: Optimal site for the location of Sixth Form students in Option C

	Advantages as a site for the Sixth Form in Option C relative to other sites	Disadvantages as a site for the Sixth Form in Option C relative to other sites
Les Beaucamps site	Relatively central island location	Outside space more limited than at other sites
Les Varendes site	Existing Sixth Form Centre Proximity to The Guernsey Institute (supporting mixed programmes) Relatively central island location No need to move Sixth Form during transition period	Transition challenging with a final model with a higher number of students on site
St Sampson's site	Largest existing site in terms of area	Not a geographically central island location

- 11.4. The consensus amongst stakeholders involved in discussions is that it would be preferable for the 11-18 site to be Les Varendes. Given the assumption that the Sixth Form would be combined with a 6FE 11-16 school (rather than 7FE or 8FE) in order to ensure a more even distribution of students across the three sites, this leaves three options for the distribution of students across the remaining two sites: 8FE at St Sampson's and 6FE at Les Beaucamps, 6FE at St Sampson's and 8FE at Les Beaucamps, or 7FE at each. Initial modelling indicated that the most cost efficient version would be to retain a 6FE school at St Sampson's and to extend Les Beaucamps to create an 8FE school, with capacity for 960. The St Sampson's site would then need only minimal works to deliver the improvements planned in the baseline model, such as improvements to sports facilities. Although this is the most cost-efficient option, it was considered less educationally desirable to have more students on the Les Beaucamps site than the St Sampson's site, given that the St Sampson's site is larger. It was also considered more desirable to have a more even

distribution of students. The additional cost of extending both St Sampson's and Les Beaucamps to 7FE (capacity for 840) was estimated at £3,845,000 more than the more cost-efficient option. It was judged by the stakeholders involved in the discussions that this option was sufficiently more desirable educationally to make this additional cost justifiable. This was accepted by the Committee. The option selected for inclusion in the review is therefore 6FE plus Sixth Form at Les Varendes (capacity for 1120 - 1170 students) and 7FE at each of St Sampson's and Les Beaucamps (capacity for 840 students). This is Option C1.

- 11.5. In response to requests received via union representatives, it was agreed that a "co-located sixth form college should also be explored". This option is referred to as C2. It would be similar to Option C1 (Two 11-16 colleges and one integrated 11-18 college) in some respects and similar to Option D (Three 11-16 colleges and a Sixth Form college on a separate site) in others. This is illustrated in Table 7. In terms of distribution of students, C2 is the same as C1 for the reasons discussed above. An integrated 11-18 college would have spaces and specialist classrooms utilised by both 11-16 and Sixth Form students. Separating the Sixth Form rather than integrating it therefore requires additional rooms. The base cost of providing the facilities to which students would have had access in the baseline model is therefore higher in Option C2 than Option C1.
- 11.6. Numbers of students across the three sites would be the same irrespective of whether the Sixth Form is integrated or operationally separate. On the Les Varendes site there would be capacity for 720 11-16 year olds and between 400 and 450 Sixth Formers; a total of 1120 - 1170. Population data indicates that the expected number on this site would be below 1100 on opening and below 1000 by 2029/30. The St Sampson's and Les Beaucamps sites would both have capacity for 840 11-16 year olds students, but expected numbers would be below 800 by 2025/26 and below 700 by 2029/30.
- 11.7. Table 7: Summary comparison of C1 "integrated Sixth Form" C2 "operationally separate Sixth Form located on the same site as an 11-16 college" and D "Sixth Form on a separate site"

White	Assumptions in line with Option C1
Grey	Assumptions in line with Option D

	Option C1 (Two 11-16 colleges and one integrated 11-18 college)	Option C2 (Two 11-16 colleges, and one 11-16 with an operationally separate Sixth Form College on the same site)	Option D (Three 11-16 colleges and a Sixth Form college on a separate site)
Number of sites	3	3	4
Distribution of students	6FE 11-16 as part of the 11-18 college (rather than 7FE or 8FE)	6FE 11-16 as part of the 11-18 college (rather than 7FE or 8FE)	All distributions of 11-16 students across other sites considered
Feeder school model		As C1	
Preferred site for Sixth Form	Les Varendes	Les Varendes	La Mare de Carteret, Les Beaucamps or Les Varendes
Staff	Shared (similar to current GGS&SFC)	Separate (but anticipated that some staff will teach across both phases)	Separate (but anticipated that some staff will teach across sites)
Leadership Team	Shared (similar to current GGS&SFC)	Separate (still part of One School)	Separate (still part of One School)
Staff room	Shared	Separate	Separate
Classrooms	Shared	Separate	Separate
Sports facilities	Shared	Shared	Separate
Outdoor social areas	Shared	Separate	Separate
Independent study areas	Separate	Separate	Separate
Traffic modelling		As C1	

12. Option D: 3 x 11-16s Colleges and a Sixth Form Centre on a separate site

12.1. It is assumed that in Option D there will be colleges on all four of the existing secondary sites. As in Options B and C, it is assumed that 20FE is divided into either one 8FE and two 6FE colleges, or two 7FE and one 6FE colleges.

12.2. Initial discussions focussed on which of the four sites would be most preferable as a separate Sixth Form College. Key advantages and disadvantages are shown in Table 8 below.

12.3. Table 8: Comparison of sites as locations for the Sixth Form College in Option D

	Advantages as a site for the Sixth Form College in Option D relative to other sites	Disadvantages as a site for the Sixth Form College in Option D relative to other sites
Les Beaucamps site	<p>Relatively central island location</p> <p>Closer to the required size than St Sampson's or Les Varendes: would make better use of the existing estate</p>	<p>Existing high quality facilities could limit options for cost adjustments if savings were required: for example, would make more sense to have parity of sports facilities across three 11-16 schools and adjust at Sixth Form College if required.</p> <p>Disparity between Sixth Form College and The Guernsey Institute in terms of facilities</p> <p>Slightly larger than necessary</p>
La Mare de Carteret site	<p>Would require a new build: could be a bespoke Sixth Form Centre</p> <p>Co-located with a primary school: potential benefits for Sixth Form students volunteering</p>	<p>Some facilities are potentially better shared between an 11-16 school and a primary school than a Sixth Form Centre and a primary school - e.g. sports facilities.</p> <p>Not a geographically central island location</p>
	Advantages as a site for the Sixth Form College in Option D relative to other sites	Disadvantages as a site for the Sixth Form College in Option D relative to other sites

Les Varendes site	Existing Sixth Form centre Proximity to The Guernsey Institute (supporting mixed programmes) Relatively central island location No need to move Sixth Form during transition period	Unnecessarily large - requires more building elsewhere and thus more expensive. Potential for co-location with other organisations, such as the Guernsey Music Service.
St Sampson's site		Unnecessarily large - requires more building elsewhere and thus more expensive. Not a geographically central island location Co-located with Le Murier School: would remove the benefits of co-location with an 11-16 school

12.4. There was a consensus amongst stakeholders involved in discussions that of the four existing sites, St Sampson's would make the least sense as a standalone Sixth Form College. St Sampson's High School and Le Murier School were deliberately co-located when the Baubigny site was developed a little over 10 years ago. The objective of co-location was to encourage the schools to operate in closer partnership to the benefit of students at both. In particular, some students at the special school would be able to access lessons and facilities within the high school and some students at the high school would receive additional support from specialist staff within the special school. A further benefit was providing students with more opportunities to mix socially. It is considered that this would continue to be desirable under all models, and would be undermined if there were no 11-16 students located on the St Sampson's site.

12.5. However, stakeholder views about which site would be the best location for the Sixth Form College were split between Les Beaucamps, La Mare de Carteret and Les Varendes, all of which have clear advantages. Versions which include a Sixth Form College at all three of these sites will therefore be included in the review.

12.6. Given that all possible versions of Option D are more expensive than Options A, B and C (using the benchmark of facilities to which all students would have access in the baseline model) stakeholders considered it more likely that compromises to

the facilities provided would be necessary in this model compared to others. The least expensive distribution of 11-16 students was therefore selected in each, despite the fact that this results in a larger discrepancy of forms of entry than in the other models in order to maximise the facilities which could be provided within this model at any given cost. A future Committee could revisit this assumption if it chose to do so.

- 12.7. Option D1 includes a bespoke new build Sixth Form Centre on the La Mare de Carteret site. Given this, the preferred arrangement of 11-16 students (assuming a benchmark of 20FE) involves an 8FE 11-16 school at Les Varendes (capacity for 960 students). St Sampson's would remain as a 6FE school (capacity of 720) and Les Beaucamps would have a small extension to increase the capacity from 5.5FE (660) to 6FE (720). The additional cost of planning for a more even distribution of students which would exceed teachers' preferred school size by less was estimated at £4,074,000: which would reduce Les Varendes to 7FE (capacity for 840 students) and increase Les Beaucamps to the same amount. This would take Les Beaucamps to a population where it became necessary to build on the existing multi-use games area, meaning it would be necessary to lose either a multi-use games area or the existing field. A split with 7FE at St Sampson's and Les Varendes and 6FE at Les Beaucamps would cost an estimated £8,186,000 more than the selected version.
- 12.8. Option D2 would use the Les Beaucamps site as a Sixth Form Centre. The works required on this site would be minimal. The most economical split of 20FE across the remaining three sites is for St Sampson's to remain as a 6FE 11-16 school and for Les Varendes to become an 8FE 11-16 school, as in Option D1. A new 6FE school (capacity for 720 students) would be built at La Mare de Carteret. A split with 7FE (capacity for 840 students) at Les Varendes and La Mare de Carteret and 6FE (capacity for 720 students) at St Sampson's would cost an estimated £3,168,000 more than the selected version.
- 12.9. Option D3 would retain the existing Sixth Form Centre at Les Varendes. This is more expensive than the other options because it would leave the site underused, and require more building elsewhere. This additional space could potentially be used to co-locate other organisations or staff at the Les Varendes site, which may result in savings in other areas. This could potentially include the Guernsey Music Service, the Youth Commission, or staff working in areas of Health and Social Care. A full analysis of potential uses of this space is beyond the scope of this review but could be conducted if the States were to select Option D as the future model of secondary education.
- 12.10. The most economical split of 20FE across the remaining three sites is to build a new 8FE college (capacity for 960 students) at La Mare de Carteret. Sampson's would remain as a 6FE school (capacity of 720) and Les Beaucamps would have a small extension to increase the capacity from 5.5FE (660) to 6FE (720). The

additional cost of planning for a more even distribution of students which would exceed teachers' preferred school size by less is estimated at £3,069,000: this would reduce the new build at La Mare to 7FE (capacity for 840) whilst increasing the extension at Les Beaucamps by the same amount. As in Option D1, this would take Les Beaucamps to a population where it became necessary to build on the existing multi-use games area, meaning it would be necessary to lose either a multi-use games area or the existing field. A split with 7FE at St Sampson's and La Mare de Carteret and 6FE at Les Beaucamps would cost an estimated £7,181,000 more than the selected version.

- 12.11. In any of the versions of D, the site with the largest population would be the 8FE 11-16 college (at Les Varendes in Options D1 and D2 and La Mare de Carteret in Option D3). It would have capacity for 960 students, but population data indicates that it would have fewer than 900 students on opening and fewer than 800 by 2029/30. The other two 11-16 schools would have capacity for 720 11-16 year old students, but expected numbers would be below 700 on opening and below 600 by 2029/30.

13. **Comparisons of models: structural priorities**

- 13.1. The structure of secondary education has been debated by the States several times in recent years;
- July 2013: Education Vision committed to bringing a report to the States about the future structure of secondary education.
 - November 2014: La Mare de Carteret schools' redevelopment project approved in principle, with independent review commissioned to determine the most appropriate scale, scope and specification for the project.
 - December 2014 - February 2015: Independent review carried out into future provision at the La Mare de Carteret site.
 - May 2015: La Mare de Carteret schools' redevelopment project approved in principle, subject to a review of the necessary size of the school and also subject to a States' debate at or before the March 2016 States Meeting on the merit or otherwise of selection at 11 and the future structure of secondary education.
 - September - November 2015: Your Schools, Your Choice Consultation.
 - March 2016: Decision to remove selection at 11 with effect from September 2019 and introduce three comprehensive schools within a structure to be determined by the next States Assembly.
 - November 2016: Proposal to rescind the decision to remove selection at 11 defeated.
 - January 2018: Plans for a model with three 11-16 schools at Les Beaucamps, St Sampson's and La Mare de Carteret, a College with all 16-18 provision currently offered by The Sixth Form Centre and the College of Further

Education (part of The Guernsey Institute) at Les Varendes, and a separate training college, rejected in favour of the “Alternative model” which included two 11-18 colleges and what is now The Guernsey Institute.

- September 2019: Detailed plans for the two 11-18 Colleges approved by the States.
- March 2020: Successful requête to review the structure of secondary education.

- 13.2. In confirming a future model of education, it will be necessary to decide a) how various competing factors ought to be prioritised and b) which model can provide the best possible education at an amount the States are willing and able to fund. This necessarily involves subjective judgements and so no definitive answer can be produced through any review. The analysis contained within the review will aim to provide accurate information upon which these judgements can be made.
- 13.3. Each of the models will be compared according to key criteria which have been highlighted as being of importance to at least some staff or members of the community. It cannot be exhaustive and there may be some considerations that are not addressed, but it will aim to provide sufficient information for a decision to be reached.
- 13.4. A considerable proportion of the debate around the future model of secondary education in Guernsey has centred around two key structural issues: the organisation of the Sixth Form (and consequently whether schools are 11-16 or 11-18) and the optimal sizes of schools. Although some relevant concerns can be mitigated with additional spending, they provide different advantages and disadvantages irrespective of the amount spent. These two issues are explored in sections 14 and 15 below. More detailed work will be carried out as part of the review, including more detailed modelling of potential Sixth Form curricula in Option B: three 11-18 schools. A third significant consideration has been the space standards (which are not model-dependent) and the consequent level of expenditure (which will vary across models, assuming the same underlying space standards). These are discussed in section 16.

14. **Considerations relating to the structure of the Sixth Form**

- 14.1. Some of the considerations that should be taken into account in relation to the organisation of the Sixth Form include the following:
- The relative importance of maximising educational opportunities and standards for students in the Sixth Form phase of their education and the 11-16 phase of their education;
 - The advantages and disadvantages to students of being in an 11-16 environment and then a separate Sixth Form environment, compared to an 11-18 environment;

- The curriculum breadth possible across one, two or three sites, factoring in possibilities of additional spending to duplicate classes, the logistics of students or staff travelling between sites or links through immersive classroom technology;
- The differing staffing structures required in models which have Sixth Form students on the same site, or different sites, to 11-16 year old students, including travelling between sites, and the potential to recruit to them;
- The potential for inequality in each of the models, how important a consideration this is, and how it might be mitigated;
- The importance of facilitating mixed programmes with The Guernsey Institute and the ease of doing so under each model;
- Available capital and revenue funding, and the relative importance of considerations relating to Sixth Form compared to other priorities.

14.2. Updated population assumptions indicate a likely total number of Sixth Form students of around 400, gradually declining to around 350 by the mid 2030s. This is lower than estimates previously used in modelling for the two 11-18 colleges model, because several underlying assumptions have been adjusted in light of information which has become available since those assumptions were made. This includes:

- Updated island population data provided by Population Management;
- The proportion of students expected to attend the grant-aided colleges adjusted to the average of the first two all-ability cohorts;
- The proportion of students attending Blanchelande College Sixth Form adjusted in light of 2020 data;
- The proportion of students expected to attend the Sixth Form (in any model) and The Guernsey Institute updated in line with previous five years' data. Although there are various considerations (breadth of choice, opportunity to continue in current school, opportunity to attend a separate Sixth Form College etc) which may influence individual choice and therefore overall proportions in each of the models, it is not possible to quantify these, and so it is assumed that these proportions would be the same under any model.

14.3. Based on the assumptions listed in section 6.5, expected Sixth Form numbers are therefore around 200 on each site with a Sixth Form in Option A, 133 on each site in Option B and 400 in Options C and D.

- 14.4. On average in 2020, School sixth forms in England had an average of 197 students while school Sixth Forms in Academies had an average of around 210 students.¹ The Ladies' College and Elizabeth College Sixth Forms, which operate in partnership over two sites, had a total of 198 pupils in 2019/2020. Options A, B and C1 include school sixth forms. In Option A each site would have around the same number of students as the English average, and around the same as the number of students at Ladies' College and Elizabeth College combined. In Option B each site would have fewer students than the English average, but more than either Ladies' College or Elizabeth College. In Option C1 the Sixth Form would be around twice the size of the average English Sixth Form and the Ladies' and Elizabeth College Sixth Forms combined.
- 14.5. On average in 2020, Sixth form colleges and 16 - 19 academies in England had an average of 1952 students. Options C1 and D include separate Sixth Form Colleges. This would be around a fifth of the size of the English average. Amongst the 78 Sixth Form Colleges and 16-19 academies in England five fall into the smallest size bracket of 700 - 999 students. A separate Sixth Form College in Guernsey would be around half this size.
- 14.6. There is not a clear consensus amongst all stakeholders about the preferred structure. For example, survey feedback from staff at St Sampson's, Les Beaucamps and La Mare de Carteret, highlighted that more staff considered it desirable to have a Sixth Form Centre on a separate site to 11-16 students than as part of an 11-18 college, whilst the opposite was true amongst staff at the Grammar School and Sixth Form Centre.

15. **Considerations relating to school size**

- 15.1. Research carried out internationally will be explored in later phases of the review. Regardless of data collected in other educational systems there is a preference amongst staff (as indicated in the staff surveys) for secondary schools that are below the English average (986 in 2019/20²), and ideally below 800.
- 15.2. Although the review has been conducted on the basis of a like for like comparison with the two 11-18 colleges baseline model, which would give capacity for 2400 11-16 years olds and 400-450 Sixth Formers across any model, expected population decline means actual numbers are likely to be below this.
- 15.3. Graph 1 and Graph 2 below show the expected number of students on the site with the maximum and minimum number of students in each of the four models.

¹ Sixth Form Colleges: 2020 Key Facts and Figures, produced by the Sixth Form Colleges Association <https://sfcawebsite.s3.amazonaws.com/uploads/document/24711-SFCA-Key-Facts-2020-AW-Interacti ve2.pdf?t=1593419685>

² [Schools, pupils and their characteristics, Academic Year 2019/20](#)

This is the same across all versions within a model, where more than one version is included in the analysis. The ranges referred to are the median responses from staff to each of the surveys: they show staff preferences rather than empirical evidence relating to school size.

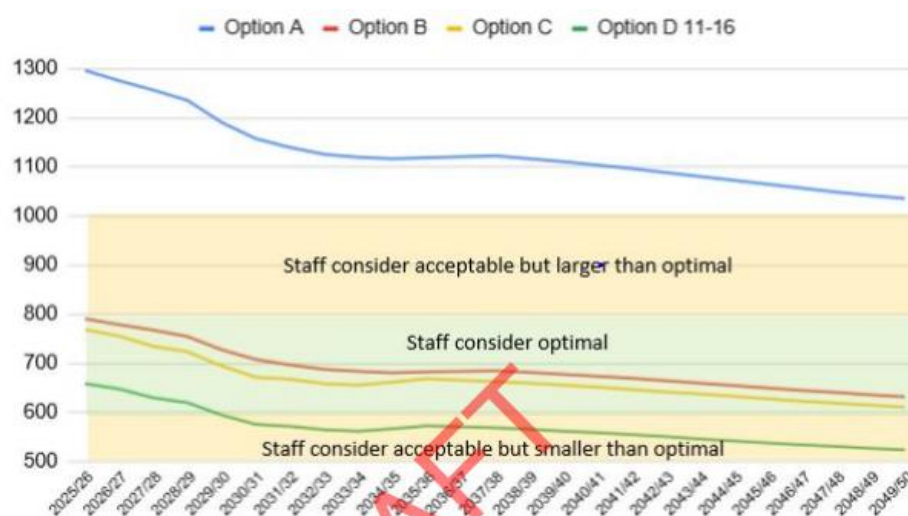
15.4. Graph 1: Maximum number of students on any one site: 2025 - 2050



15.5. All models would be expected to have at least one site where the number of students exceeds that considered optimal by a majority of staff, with Options A and C exceeding that considered acceptable by a majority of staff. Within approximately five years, numbers on the largest site in Option C would be expected to reduce to the level considered acceptable by a majority of staff, whilst numbers in Options B and D decline to the level considered optimal.

15.6. Graph 2: Minimum number of students on any one site: 2025 - 2050

The figures for Option D are taken from the smaller (6FE) 11-16 schools, not the Standalone Sixth Form College.



- 15.7. In option A, students would be split equally across the two sites, and so the line shown in this graph is the same as the previous graph: it is above the population considered acceptable by a majority of staff, declining towards the acceptable level by around 2050.
- 15.8. The sites with the smallest populations in Options B, C and D are within the range considered optimal by a majority of staff at the start of the period. In Option they are expected to decline below the range considered optimal within five years, into the range considered acceptable but not optimal.
- 15.9. Over this time period, the option in which all sites would fall within the optimal range identified by staff for the greatest proportion of the time is Option B (three 11-18 colleges). The populations in Option A exceed those considered acceptable for the full time period. In Option C, the largest site exceeds the population considered optimal for the full time period. In Option D, the smallest sites are below that considered optimal for 80% of the time period.

16. **Comparisons of costs**

- 16.1. The main influences on the cost of any school model, for a given number of students, are:-
- Average class sizes: The current education policy is to aim for an average class size of 24 at KS3 and KS4. In practice this can only be a target - as the student population is rarely an exact multiple of 24, with the result that average class sizes can be slightly larger or smaller than this. The “tipping point” at which an additional class is created in any cohort is when the average class size exceeds 26. This was applied in the baseline two 11-18 colleges model at KS3, with a reduction to a tipping point of 25 at KS4. These assumptions have been translated across to all other models as part of the revenue modelling. School planning in England is based around average class sizes of 30 students. Both capital and revenue costs could be adjusted in any model if the assumed tipping point at which an additional class is created (and therefore the average class size) was changed: it would affect the overall capital costs (as it determines the number of classrooms needed) and operating costs (as it determines the number of teachers needed). If the breadth of Sixth Form curriculum is kept constant across more than one site it may involve duplicating classes in order to increase the number of possible option combinations on any one site: this decreases average class sizes and therefore increases the rooming and staffing requirements.

- The number of sites: the more sites across which the student population is spread, the more it is likely to result in additional classes being required in order to meet any class size policy. This leads to an increase in staffing costs. The greater the number of sites, the greater the cost of providing all students with access to facilities such as sports pitches, swimming pools, and communication and autism bases, which would need to be replicated across more sites in order to provide equality of access to facilities. The same assumptions regarding access to facilities have been applied across all models, but could be adjusted in any model.

- The space standards: The UK Department for Education provides guidance indicating standard space allocations for various areas of a school, including different types of classroom, depending on the total number of students, planned curriculum and assumed average class sizes. Planning for the baseline model used the current guidance (BB103) as a starting point. As these are UK guidelines, they assume an average class size of 30, which therefore result in a more generous amount of space for schools with an average class size of 24. This gave a total space allocation which was then adjusted in line with priorities for the use of space planned by the school leadership team, with additional space added to the standard UK baseline to allow for specific priorities including enhanced space to support students with special educational needs and disabilities (SEND), including communication and autism bases on both sites. The same assumptions regarding space standards have been applied across all models. They could be adjusted in any of the models.

- Curriculum: In capital terms, a curriculum plan in which students spend more time in areas which require specialist (or larger) rooms such as science, technology, food, art and music, relative to subjects which are taught in general purpose teaching classrooms such as English, maths, humanities or languages require more of these specialist rooms and are therefore more expensive. The previously planned curriculum for the baseline model has been used in all options, with the assumption that a reduced number of option combinations would be possible at Key Stage 4 if students were split across three sites compared to two, and an additional staffing allocation to allow duplication of subjects across sites in models A and B. Total curriculum time allocation across subjects is very similar to current averages across the four schools. In revenue terms, it becomes more expensive to offer any given breadth of curriculum options at Key Stage 4 and Key Stage 5 as the cohort size is reduced, as average class sizes will decrease. If average class sizes were

kept constant, the larger the cohort the greater the breadth of curriculum that can be offered.

- Utilisation rates: The utilisation rate of a classroom is the proportion of the time it is in use. Reducing utilisation rates, for example to ensure students are taught only in rooms allocated to a particular subject or to avoid staff teaching in more than one room increased the number of rooms required. In general it is easier to achieve higher utilisation rates whilst maintaining subject specific rooming in larger schools and thus reduce capital costs. More classrooms could be added in any of the models.
- Within a limited budget, prioritisation is required to determine which facilities and revenue priorities will have the most significant impact on educational outcomes. Staff are involved in this process through the consultation workshops.

16.2. The initial capital cost analysis provides a like for like comparison of providing all students with access to the same facilities in each of the models. For comparative purposes, the initial analysis has assumed that these facilities would be those to which all students would have had access in the baseline two 11-18 colleges model. Any of these facilities could be removed and others added in any of the versions of models, where they do not already exist. For example, initial modelling has assumed there would be a swimming pool on each of the sites in use. It would be possible to make savings relative to these costs if it was decided not to repair the swimming pool at Les Varendes in all versions but A1, or not to build a new pool at La Mare de Carteret in D1, D2 and D3, but the same saving could not be realised by deciding not to have a pool on either the St Sampson's or Les Beaucamps sites, where pools already exist.

16.3. The process for generating these costs was as follows:

- Room requirements for all possible scenarios were generated from the assumptions detailed in section 6.5, using the DfE Schedule of Accommodation tool.
 - 6FE 11 - 16
 - 7FE 11 - 16
 - 8FE 11 - 16
 - 6FE 11 - 16 + a third of Sixth Form
 - 7FE 11 - 16 + a third of Sixth Form
 - 8FE 11 - 16 + a third of Sixth Form
 - 6FE 11 - 16 + full Sixth Form
 - Sixth Form only
- At Les Beaucamps and St Sampson's, existing rooms on each site were subtracted from the total room allocation to give the additional number of

each type of room needed for each of the options for each of the sites. For example, it is assumed that if the Les Beaucamps site were to become a 7FE 11-16 school it would require seven Science labs. There are currently four, so if the final model included a 7FE 11-16 on this site a further three would be required.

- At Les Varendes, room requirements were mapped against floor plans to ensure BB103 recommendations were met across subject areas, given that a significant proportion of existing rooms fall below this recommendation.
- At La Mare de Carteret it was assumed that a new build would follow BB103 recommendation for all classrooms.
- The size of the total extension/build required on each site was costed, and consistent assumptions were made about the extent of repurposing required to allow subject areas to be suited together.
- Costs were added to provide further facilities on each site in order to ensure a like for like comparison. In some cases, these costs have been translated across directly: for example, it is assumed that a multi-use games area would have the same surface and dimensions irrespective of the number of students in a school. Other assumptions have been scaled: for example, it has been assumed that all sites would have enhanced areas allocated to support for students with SEND and CAS bases, but the total area allocated has remained constant: it is assumed that these would be smaller in colleges with smaller numbers.
- Consistent assumptions have been applied across models regarding allocations for circulation space, toilets etc.
- These are onsite costs only: they do not include any changes to transport infrastructure, transition costs or other associated costs such as the development of business cases to release capital funding. These are expected to add between £10 and 15 million to each of the models.

16.4. Graph 3 below shows the cost of providing all students with access to the same facilities to which they would have had access in the baseline two 11-18 colleges model. This includes, for example, sports facilities such as 3G multi use games areas and swimming pools on all sites as well as enhanced areas for students with special educational needs and disabilities. It includes the cost of bringing the Les Varendes site up to the standards of St Sampson's and Les Beaucamps where it is one of the selected sites, and building a new college at La Mare de Carteret in all versions of Option D. For any given amount the States are willing to spend, the lower the base cost the more facilities can be provided. The facilities/space standards could be improved in any model if the States were willing to spend more. Savings could be made in any model if facilities or space standards were reduced.

- 16.5. Graph 3: Cost of providing all students with access to the same facilities to which they would have had access in the baseline two 11-18 colleges model



- 16.6. All figures in Graph 3 above are for capital costs only: other associated costs including transition costs, programme team costs and associated costs such as changes to transport infrastructure are being developed separately. Transition costs and programme team costs will be higher across all models than the baseline two 11-18 colleges model (A1) in part because using the Les Varendes site will extend the transition period and is likely to mean greater use of temporary accommodation, and in part because planning is more developed for this option, and adapting it in light of new priorities is still likely to be less expensive than developing new plans. Costs relating to transport are likely to be lower where students are split across more sites and the total numbers of students on any one site are lower. The total additional cost is expected to be between £10 and £15 million for each of the models.
- 16.7. Depending on the amount the States are willing to spend on secondary education, changes could be made to the facilities that are prioritised to be included in any of the models at any given budget. For example, using feedback from the recent staff survey, facilities that staff considered more important which were not included in
- 16.9. Workshops are currently underway across the four secondary schools to prioritise capital and revenue expenditure within set cost brackets. This will help develop the 'indicative best versions' of each of the models, which the States will be able to consider at defined cost brackets for a true like-for-like comparison of what each model can offer.

- 16.10. Revenue costs for each of the models are currently being developed. Relevant information will be shared with staff during the programme of workshops to allow prioritisation within each model and will be published.

17. Next phase of the review

- 17.1. None of the models can deliver all of the features considered desirable by all stakeholders. It will be necessary to prioritise which of the features are most desirable, and which of the models can deliver the best quality of education at the cost the States are willing to spend. These judgements are necessarily subjective. It is not possible to assign scores objectively and produce a definitive answer because it requires value judgements about the relative importance of different aspects of education. It would be possible for different, valid conclusions to be drawn from the same information depending on how different aspects are prioritised. This review will attempt to provide objective information to support individuals in drawing their own conclusions about which of the models is likely to deliver most of what they consider most important. Further consultation will take place with staff to develop the “indicative best possible version” of each of the models. This information will be released in due course to provide more information.
- 17.2. The next phase of the review of models of secondary education will aim to reach an indicative best possible version of each of the eight models at different levels of expenditure, through consultation with various groups. These conversations will focus on prioritisation of different capital and revenue priorities. The aim is not to provide a definitive plan for approval by the States: once the future model is confirmed plans will be developed in detail, with further consultation, and it is likely that adjustments will be made. However, it is important to give an indication of the likely proportion of spending priorities that could be met in each model at varying levels of expenditure. For any given budget, the lower the base cost above, the more of the spending priorities identified are likely to be able to be implemented. The higher the base cost given above, the more compromises are likely to be necessary at any given level of expenditure.
- 17.3. The intention is to provide optimised versions of each of the models at four capital cost brackets: £60,000,000, £70,000,000, £80,000,000 and £90,000,000. All of these costings are for on site capital costs only, and the addition of other associated costs is likely to increase each cost by between £10 million and £15 million.
- 17.4. In addition to the consultation to develop the indicative best possible versions of each model, examples of areas in which further work is in progress or planned include:
- Review of relevant research evidence

- Analysis of traffic and transport implications in all models
- Analysis of requirements for full time staff to teach across multiple sites in all models
- Options for curriculum modelling across three Sixth Form sites (Model B)
- Transition modelling to show likely routes to move from the current model to any future model, and associated costs
- Analysis of response to public and student consultations
- Opportunities for further consultation once further information has been released

17.5. When a recommendation to the States is made based on this review, it will consider the following factors, set out in the Policy Letter entitled Review of the Structure of Secondary and Further Education: Next Steps (supporting document 2). Where possible, this will take into account both research evidence and stakeholder views. Other factors may be considered in addition.

Quality of education -

- Promoting the highest possible standards and outcomes;
- Range and equality of opportunities, including curriculum and facilities;
- Curriculum breadth and opportunities to group students flexibly;
- Standard of and access to facilities indoors and outdoors;
- Recruitment, retention, flexibility and resilience of staff teams;
- Pastoral support and wellbeing of students and staff;
- Support for students with special educational needs or disabilities;
- Pupil teacher ratios and average class sizes;
- Extra-curricular and enrichment opportunities; and
- Ease of transition between different phases of education.

Value for money -

- Capital expenditure;
- Revenue expenditure: making the best use of the funds the States are prepared to spend on secondary education annually; and
- Transition costs to move from the status quo to the new model.

Infrastructure & organisation -

- Infrastructure at the school sites;
- Infrastructure around the school sites;
- Capacity and capability of the States to implement the model;
- Consistency with States' strategic objectives; and
- School operational issues which are specific to any particular model (excluding those which are general to all models).

Supporting documents

1. [Requête 'Determining the best model for secondary education' P.2020/14 dated 28th January 2020](#)
2. [Policy Letter 'Review of the Structure of Secondary Education – Next Steps' P.2020/51, submitted by the Committee for Education, Sport & Culture](#)
3. [Terms of Reference](#)
4. [Secondary staff survey results and wider staff survey results](#)

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE FOR EDUCATION, SPORT & CULTURE

SECONDARY AND POST 16 EDUCATION REORGANISATION

The President
Policy & Resources Committee
Sir Charles Frossard House
La Charroterie
St Peter Port

28th May, 2021

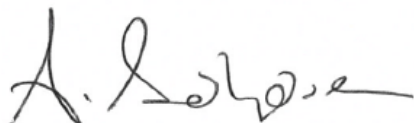
Dear Sir

Preferred date for consideration by the States of Deliberation

In accordance with Rule 4(2) of the Rules of Procedure of the States of Deliberation and their Committees, the Committee *for* Education, Sport & Culture request that the 'Secondary and Post 16 Education Reorganisation' Policy Letter be considered at the States' meeting to be held on 14th July, 2021.

As you are aware the Government Work Plan (GWP) is scheduled for debate at a special meeting of the States' to be held on 21st July, 2021. The reorganisation of secondary and post 16 education has been proposed for prioritisation as a recovery action as part of the GWP. In order for the States to make an informed decision in this respect, an agreed and costed model is required. Consideration of the proposals on 14th July, 2021 will provide States members with the detail necessary for the GWP prioritisation process.

Yours faithfully,



Deputy A C Dudley-Owen
President
Committee for Education, Sport & Culture

Deputy R C Murray
Vice-President

Deputy S Aldwell
Deputy A Cameron
Deputy SP Haskins

J B Green
Non-States Member

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

STATES' ASSEMBLY & CONSTITUTION COMMITTEE

DATES OF STATES' MEETINGS – 1ST SEPTEMBER 2024 TO 31ST AUGUST 2025

The States are asked to decide:-

Whether, after consideration of the policy letter entitled “Dates of States’ Meetings – 1st September 2024 to 31st August 2025” dated 27th May 2021, they are of the opinion:-

1. To agree that the dates on which States’ Meetings shall be convened in the period from the 1st September, 2024 to the 31st August, 2025, and the statements to be made under the provisions of Rules 10(4) and (5) by the Presidents and, in the case of the States of Alderney, the nominated Alderney Representative, shall be as follows:

2024	
States’ Meeting	Statements or special meeting
4 th September	Policy & Resources Committee Development & Planning Authority
25 th September	Committee <i>for</i> Economic Development Overseas Aid & Development Commission
23 rd October	Committee <i>for</i> Education, Sport & Culture Committee <i>for the</i> Environment & Infrastructure
5 th November (Tuesday)	States of Guernsey Annual Budget Upgrading of non-contributory benefits
20 th November	Committee <i>for</i> Health & Social Care The States of Alderney
11 th December	Committee <i>for</i> Home Affairs Committee <i>for</i> Employment & Social Security
2025	
States’ Meeting	Statements or special meeting
22 nd January	Committee <i>for</i> Economic Development Scrutiny Management Committee
5 th February	Policy & Resources Committee
19 th February	Committee <i>for</i> Education, Sport & Culture

	States' Assembly & Constitution Committee
5 th March	Committee <i>for the</i> Environment & Infrastructure Transport Licensing Authority
19 th March	Committee <i>for</i> Employment & Social Security Committee <i>for</i> Health & Social Care
9 th April	Committee <i>for</i> Home Affairs States' Trading Supervisory Board
30 th April	n/a
1 st July (Tuesday)	Election of President of the Policy & Resources Committee
2 nd July (Wednesday)	Election of Members of the Policy & Resources Committee
4 th July (Friday)	Election of Presidents
7 th July (Monday)	Election of Committee Members
15 th July (Tuesday)	States of Guernsey Accounts
16 th July	Policy & Resources Committee

and to add the above table to Schedule 1 to the Rules of Procedure of the States of Deliberation and their Committees.

2. To:
 - a) change the special meeting scheduled for the Policy & Resource Plan Phase 2 Report on the 29th September 2021 to an ordinary meeting.
 - b) move the meeting from 13th to 20th October 2021.
 - c) amend references to the 'Policy & Resource Plan' in the Rules of Procedure of the States of Deliberation and their Committees to 'Government Work Plan'.
3. To direct the Policy & Resources Committee to return with a proposition, further to consultation with the States' Assembly & Constitution Committee, setting a date for consideration of the 2025 Government Work Plan as part of the 2024 Government Work Plan (Annual Report).

The above Propositions have been submitted to Her 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

STATES' ASSEMBLY & CONSTITUTION COMMITTEE

DATES OF STATES' MEETINGS – 1ST SEPTEMBER 2024 TO 31ST AUGUST 2025

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

27th May 2021

Dear Sir

1 Executive Summary

- 1.1 On 25th August 2020, the States directed¹ the States' Assembly & Constitution Committee to report to the States with a policy letter by July 2021 proposing the dates on which States' Meetings shall be convened in the period from the 1st September 2024 to 31st August 2025, further to consultation with the Committee *for* Education, Sport & Culture.
- 1.2 This policy letter proposes the dates on which States' Meetings shall be convened during this period and the rota of statements to be given under the provisions of Rules 10(4) and (5), and to update Schedule 1 to the Rules of Procedure of the States of Deliberation and their Committees accordingly.
- 1.3 It also proposes that the special meeting originally scheduled for the 29th September 2021 to discuss the Policy & Resource Plan Phase 2 Report is changed to an ordinary meeting, to move the meeting from 13th to 20th October 2021 and that references to the 'Policy & Resource Plan' in the Rules of Procedure of the States of Deliberation and their Committees are amended to read 'Government Work Plan'.
- 1.4 It further proposes to direct the Policy & Resources Committee to return with a proposition, further to consultation with the States' Assembly & Constitution Committee, setting a date for consideration of the 2025 Government Work Plan as part of the 2024 Government Work Plan (Annual Report).

¹ [Billet d'Etat XVIII 2020, Resolution III \(1\)\(e\)](#)

2 Introduction

- 2.1 The Committee is required by Rule 1.(1) of The Rules of Procedure of the States of Deliberation and their Committees ('the Rules of Procedure') to submit, in the six months prior to a General Election, a policy letter setting out the dates on which it proposes that States' Meetings should be convened during the States' term immediately following the General Election.
- 2.2 On 1st July 2020, the States agreed that the next General Election after the rescheduled October General Election would be held in June 2025² with those elected taking office on 1st July 2025. Members elected in the 2020 General Election took office on the 16th October 2020, meaning they will serve, and the political term will last, eight and a half months longer than a normal four-year term.
- 2.3 The then Committee submitted propositions and a policy letter³ dated 5th August 2020 setting out the dates on which States' Meetings should be convened in the period from 1st September 2020 to the 31st August 2024.
- 2.4 Paragraph 2.3 of that report highlighted it was not possible to set the dates for 2024 to 2025 at that time, as follows:

The dates of school terms for the year 2024 to 2025 have not yet been determined therefore it is not currently possible to propose States' Meeting dates for that year taking into account the dates of school terms. The policy letter therefore proposes the dates from September 2020 to August 2024, and the Committee has included Proposition 1(e) requiring it to report to the States in the next term setting out the proposed dates for September 2024 to August 2025.

- 2.5 The Committee for Education, Sport & Culture has now provided the dates of the school term for the year 2024 to 2025 which are as follows:

Autumn Term (2024)	
Wednesday 4 th September	Term starts (pupils)
Monday 28 th October to Friday 1 st November	Half Term
Friday 20 th December	Term Ends
Spring Term (2025)	
Tuesday 7 th January	Term starts (pupils)

² [The Elections Ordinance, 2020](#)

³ [Dates of States' Meetings and minor amendments to The Rules of Procedure of the States of Deliberation and their Committees](#) (P.2020/142)

Monday 24 th to Friday 28 th February	Half Term
Friday 11 th April	Term Ends
Summer Term (2025)	
Tuesday 29 th April	Term starts (pupils)
Monday 26 th to Friday 30 th May	Half Term
Friday 18 th July	Term Ends

3 States' Meetings to be convened in the period from the 1st September, 2024 to 31st August 2025

- 3.1 Rule 1.(1) requires the Committee to take into account the dates of school terms and any other information which it considers relevant. There are no meetings scheduled to start in any of the States' school holidays.
- 3.2 In proposing the meeting dates for 2024 to 2025, the Committee has proposed continuing the pattern of scheduling two ordinary meetings in September. It then proposes one ordinary meeting a month between October to December.
- 3.3 The meeting to consider the States of Guernsey Annual Budget and the policy letter of the Committee *for* Employment & Social Security on the uprating of non-contributory benefits has been scheduled for Tuesday 5th November 2024 in accordance with Rule 1.(2).
- 3.4 Consideration was given to scheduling an ordinary meeting immediately following the November special meeting on the 6th November; however, the Committee noted that the debate of the 2020 Annual Budget in November 2019 lasted a full four days, whilst the two ordinary meetings were concluded in less than two days that month. The Committee agreed one ordinary meeting in November would suffice.

States' Meetings	September to December 2024
4 th September	
25 th September	
23 rd October	
5 th November (Tuesday)	States of Guernsey Annual Budget Uprating of non-contributory benefits
20 th November	
11 th December	

- 3.5 The Committee noted the tendency for an increase in business and States' Meetings immediately prior to the election period (May to June). In order to try

to assist Committees and the States in managing its business more effectively in this period, the Committee is proposing that the States meet every two weeks between January and March, starting with the meeting on 22nd January 2025. It hopes that scheduling more regular meetings will mean business can be spread more evenly in the lead up to the election period and that the States will not need to use the full three days available at each meeting.

- 3.6 The final meeting of the States has been scheduled for 30th April 2025. The Committee will be considering the date for the 2025 General Election in due course but believes that this is the last meeting that can realistically be scheduled in for this political term.

States' Meeting	January to June 2025
22 nd January	
5 th February	
19 th February	
5 th March	
19 th March	
9 th April	
30 th April	

- 3.7 Members elected at the General Election in June 2025 will take office on 1st July 2025. The Committee has therefore proposed the dates below for the Committee elections, following the pattern set for these elections in 2020, with the caveat that these may be reviewed when the Committee brings back proposals relating to the 2025 General Election.

- 3.8 The school term ends on Friday 18th July 2025. The special meeting to consider the States of Guernsey Accounts and the first ordinary meeting of the new political term have therefore been scheduled in before this.

States' Meeting	July 2025
1 st July (Tuesday)	Election of President of the Policy & Resources Committee
2 nd July (Wednesday)	Election of Members of the Policy & Resources Committee
4 th July (Friday)	Election of Presidents
7 th July (Monday)	Election of Committee Members
15 th July	States of Guernsey Accounts
16 th July	

- 3.9 Appendix A shows a year to view of the 2024 to 2025 proposed meeting dates, school terms and public holidays. **Proposition 1 requests the States agree the meeting dates and the rota of statements.**

Statements to be made under the provisions of Rules 10.(4) and (5)

- 3.10 Under Rule 10.(4), the Presidents of the Policy & Resources and the Principal Committees are obliged to make a statement setting out his or her Committee's recent activities, forthcoming work and the like at an ordinary meeting.
- 3.11 The Presidents of the other Committees and the nominated Alderney Representative (on behalf of the States of Alderney) are obliged to make such a statement once every twelve months.
- 3.12 The Committee proposes the rota of statements should be as follows:

2024	
States' Meeting	Statements
4 th September	Policy & Resources Committee Development & Planning Authority
25 th September	Committee <i>for</i> Economic Development Overseas Aid & Development Commission
23 rd October	Committee <i>for</i> Education, Sport & Culture Committee <i>for the</i> Environment & Infrastructure
5 th November	n/a
20 th November	Committee <i>for</i> Health & Social Care The States of Alderney
11 th December	Committee <i>for</i> Home Affairs Committee <i>for</i> Employment & Social Security
2025	
States' Meeting	Statements
22 nd January	Committee <i>for</i> Economic Development Scrutiny Management Committee
5 th February	Policy & Resources Committee
19 th February	Committee <i>for</i> Education, Sport & Culture States' Assembly & Constitution Committee
5 th March	Committee <i>for the</i> Environment & Infrastructure Transport Licensing Authority
19 th March	Committee <i>for</i> Employment & Social Security Committee <i>for</i> Health & Social Care

9 th April	Committee <i>for</i> Home Affairs States' Trading Supervisory Board
30 th April	n/a
1 st July	n/a
2 nd July	n/a
4 th July	n/a
7 th July	n/a
15 th July	n/a
16 th July	Policy & Resources Committee

4 Dates of 'special meetings' from 16th October 2020 to 31st August 2025

- 4.1 When the Committee proposed the meeting dates for the 'Policy & Resource Plan' as part of the 2020 to 2024 schedule, it did so in accordance with Rule 23 as then drafted, which required the 'Policy & Resource Plan Phase 1' to be debated by the States no later than 6 months after the General Election and the 'Policy & Resource Plan Phase 2' to be debated no later than 12 months after the General Election in 2021:

Year	Date	Meeting
2021	17 th March	Policy & Resource Plan Phase 1 Report
2021	29 th September	Policy & Resource Plan Phase 2 Report

- 4.2 On 17th March 2021, the States agreed to defer the special meeting to be reconvened at the conclusion of the ordinary meeting to be held on 24th March. The States agreed on 26th March to bring a second policy letter on the Government Work Plan to be considered by the States at a special meeting to be convened on 21st July however the relevant proposition did not remove the special meeting scheduled for 29th September which remains in the schedule.
- 4.3 The Committee is of the view, given the gaps between the ordinary meetings on 14th July and 8th September 2021, there is benefit in changing the special meeting scheduled for 29th September 2021 to an ordinary meeting and to propose the meeting scheduled for 13th October is moved to 20th October 2021 (half-term falls in the final week of October).
- 4.4 Holding an ordinary meeting in early and late September 2021 is consistent with the meeting dates already scheduled from 2022 to 2024 and would assist with the management of submitting and considering business. Moving the October meeting date from 13th October to 20th October would reduce the gap between the October and November ordinary meetings from just over five weeks to just over four weeks.

4.5 **The Committee therefore proposes, at Proposition 2a, to change the special meeting scheduled for the Policy & Resource Plan Phase 2 Report for the 29th September 2021 to an ordinary meeting, and at Proposition 2b, to move the October meeting from 13th to 20th October 2021.**

4.6 On 26th March 2021, the States agreed to amend Rule 23 to read as follows:

Policy planning and reporting

23. *An annual Special Meeting for the reporting and review of the States' policy planning and its implementation shall include:*

- a) commentary on progress and emerging issues;*
 - b) identification of States' Resolutions which remain outstanding and updates from responsible Committees; and*
 - c) a proposed order of priority for the drafting of significant items of legislation for the year ahead;*
- and must be included by the States' Assembly & Constitution Committee when setting the Schedule for future States' Meetings.';*

4.7 The dates scheduled to consider the Policy & Resource Plan and the States of Guernsey Accounts were set for 2022 to 2024 as follows:

Year	Date	Meeting
2022	21 st June	Policy & Resource Plan (Annual Report) & Accounts
2023	20 th June	Policy & Resource Plan (Annual Report) & Accounts
2024	18 th June	Policy & Resource Plan (Annual Report) & Accounts

4.8 The Committee has consulted with the Policy & Resources Committee who has agreed it is content for those meeting dates to be retained for the annual special meeting to consider the Government Work Plan. References to the 'Policy & Resource Plan' in the Rules of Procedure of the States of Deliberation and their Committees will be amended to read 'Government Work Plan'.

4.9 **The Committee therefore proposes, at Proposition 2c, to amend references to the 'Policy & Resource Plan' in the Rules of Procedure of the States of Deliberation and their Committees to 'Government Work Plan'.**

4.10 Rule 1.(2) sets out the scheduling of special meetings, as follows:

Ordinarily the first day of a Meeting shall be a Wednesday, except for the Meetings held to consider the annual Budget of the States and the policy letter of the Committee for Employment & Social Security on the uprating of non-contributory benefits which shall begin on the first Tuesday in November, and the

Policy & Resource Plan and States' Accounts which shall be considered at the same dedicated Meeting in June which shall begin on a Tuesday except in general election years when they will be considered at a later date in that year.

- 4.11 The meeting to consider the States of Guernsey Annual Budget and the policy letter of the Committee for Employment & Social Security on the uprating of non-contributory benefits has been scheduled for Tuesday 5th November 2024 in accordance with the above.
- 4.12 The Policy & Resource Plan and the States of Guernsey Accounts are scheduled to be considered at the same meeting in June from 2022 to 2024.
- 4.13 In order for the States of Guernsey Accounts to be considered before the 'summer recess', it is proposed that a special meeting is scheduled to take place on Tuesday 15th July 2025, immediately preceding the first ordinary meeting of the States.
- 4.14 The Committee has consulted with the Policy & Resources Committee on when the meeting to consider the Government Work Plan should be scheduled in 2025. The Policy & Resources Committee advised that it:

"might wish to amend the process or timing of the end of term debate in light of the experience of working under the new approach it is leading this term. However, a meeting will clearly be required, and at this time the best date for this would likely be in late March/early April 2025 subject to Easter: essentially it would be the penultimate meeting of this term".

- 4.15 Given the development of the Plan is in its infancy, it has been agreed that a date for consideration of the plan in 2025 will not be set now, but should be proposed by the Policy & Resources Committee – further to consultation with the States' Assembly & Constitution Committee – as part of the 2024 Government Work Plan (Annual Report).
- 4.16 **The Committee therefore proposes, at Proposition 3, to direct the Policy & Resources Committee to return with a proposition setting a date for consideration of the 2025 Government Work Plan as part of the 2024 Government Work Plan (Annual Report).**

5 Compliance with Rule 4

- 5.1 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.

- 5.2 In accordance with Rule 4.(1), the Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.
- 5.3 In accordance with Rule 4.(4) of the Rules of Procedure of the States of Deliberation and their Committees, it is confirmed that the propositions above have the unanimous support of the Committee.
- 5.4 In accordance with the provisions of Rule 4.(5) of the Rules, the Committee informs the States that its duties and powers include advising the States on "the practical functioning of the States of Deliberation".
- 5.5 As set out above, Rule 1.(1) of the Rules of Procedure of the States of Deliberation and their Committees require the Committee to bring forward this policy letter at this time to fulfil its responsibilities. The Committee has consulted with the Policy & Resources Committee in respect of the dates of the special States' Meetings and with the Bailiff and the States' Greffier.

Yours faithfully

Deputy C.P. Meerveld
President

Deputy L.C. Queripel
Vice-President

Deputy S.P. Fairclough
Deputy J.A.B. Gollop
Deputy L.J. McKenna

2024 - 2025 Calendar: School Terms and Proposed States' Meetings

	September	October	November	December	January	February	March	April	May	June	July	August	
1			Half-Term		NYD				States' Meeting		ELECTION		1
2									States' Meeting		ELECTION		2
3													3
4	States' Meeting										ELECTION		4
5	States' Meeting		BUDGET			States' Meeting	States' Meeting		Bank Holiday				5
6	States' Meeting		BUDGET			States' Meeting	States' Meeting						6
7			BUDGET		Term begins	States' Meeting	States' Meeting				ELECTION		7
8			BUDGET										8
9								States' Meeting	Bank Holiday				9
10								States' Meeting					10
11				States' Meeting				States' Meeting					11
12				States' Meeting									12
13				States' Meeting									13
14													14
15											ACCOUNTS		15
16											States' Meeting		16
17											States' Meeting		17
18								Good Friday			States' Meeting		18
19						States' Meeting	States' Meeting						19
20			States' Meeting	Term ends		States' Meeting	States' Meeting						20
21			States' Meeting			States' Meeting	States' Meeting	Easter Mon					21
22			States' Meeting		States' Meeting								22
23		States' Meeting			States' Meeting								23
24		States' Meeting			States' Meeting	Half-Term							24
25	States' Meeting	States' Meeting		Xmas Day		Half-Term						Bank Holiday	25
26	States' Meeting			Boxing Day		Half-Term			Bank Holiday				26
27	States' Meeting					Half-Term			Half-Term				27
28		Half-Term				Half-Term			Half-Term				28
29		Half-Term						Term begins	Half-Term				29
30		Half-Term						States' Meeting	Half-Term				30
31		Half-Term											31
	Term begins 4th September			Term Ends 20th December		Term begins 7th January		Term Ends 11th April Term begins 29th April		Term ends 18th July			

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

STATES' ASSEMBLY & CONSTITUTION COMMITTEE

DATES OF STATES' MEETINGS – 1ST SEPTEMBER 2024 TO 31ST AUGUST 2025

The President
Policy & Resources Committee
Sir Charles Frossard House
La Charroterie
St Peter Port

27th May 2021

Dear Deputy Ferbrache

Preferred date for consideration by the States of Deliberation

In accordance with Rule 4.(2) of the Rules of Procedure of the States of Deliberation and their Committees, the States' Assembly & Constitution Committee requests that the Propositions be considered at the States' Meeting to be held on 14th July 2021.

On 25th August 2020, the States directed the States' Assembly & Constitution Committee to report to the States with a policy letter by July 2021 proposing the dates on which States' Meetings shall be convened in the period from the 1st September 2024 to 31st August 2025, further to consultation with the Committee for Education, Sport & Culture. The request is therefore in line with that Resolution.

Yours sincerely

Deputy C.P. Meerveld
President

Deputy L.C. Queripel
Vice-President

Deputy S.P. Fairclough
Deputy J.A.B. Gollop
Deputy L.J. McKenna

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

POLICY & RESOURCES COMMITTEE

**THE GUERNSEY FINANCIAL SERVICES COMMISSION: 2020 ANNUAL REPORT AND
ACCOUNTS**

The States are asked to decide:-

Whether, after consideration of the Policy Letter dated 11th May, 2021 of the Policy & Resources Committee, they are of the opinion:-

1. To note the annual report and accounts of the Guernsey Financial Services Commission for the year ended 31st December, 2020.

The above Proposition has been submitted to Her 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

THE GUERNSEY FINANCIAL SERVICES COMMISSION: 2020 ANNUAL REPORT AND
ACCOUNTS

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

11th May, 2021

Dear Sir

1 Executive Summary

- 1.1 The 2020 annual report and accounts of the Guernsey Financial Services Commission are hereby presented to the States in accordance with the Financial Services Commission (Bailiwick of Guernsey) Law, 1987, as amended.

2 Recommendation

- 2.1 The States are asked to decide whether they are of the opinion:-

To note the annual report and accounts of the Guernsey Financial Services Commission for the year ended 31st December, 2020.

3 Compliance with Rule 4

- 3.1 In accordance with Rule 4(1), the Proposition has been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.
- 3.2 In accordance with Rule 4(4) of the Rules of Procedure of the States of Deliberation and their Committees, it is confirmed that the proposition accompanying this policy letter is supported unanimously by the Policy & Resources Committee.

Yours faithfully

P T R Ferbrache
President

H J Soulsby
Vice-President

M A J Helyar
J P Le Tocq
D J Mahoney

2020



Guernsey Financial
Services Commission

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2020

"Confidence in the Bailiwick: securing good regulatory outcomes with integrity, proportionality and professional excellence."



Guernsey Financial Services Commission

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This report, including the financial statements as required by section 18 of the Financial Services Commission (Bailiwick of Guernsey) Law, 1987 as amended (the Commission Law), is made in pursuance of section 6 of the Commission Law to the States Policy and Resources Committee and submitted for consideration by the States of Guernsey.

Note: Throughout this report the Guernsey Financial Services Commission is referred to as "the Commission". The Chairman and other members are referred to collectively as "the Commissioners".

CHAIRMAN'S STATEMENT

Guernsey – a good place to do business

Last year, in the first draft of my annual statement, I was optimistically looking forward to the year ahead. Within the space of a few weeks, I had to rewrite my overview as the Covid pandemic had arrived on these isles. I have therefore decided to 'hedge my bets' in this year's statement and reduce the risk of having to undertake a complete rewrite by looking back and reviewing what Commissioners set out to achieve nine years ago when I first became Chairman and to examine what we have been able to achieve. I approached this task by rereading my last nine Chairman's statements contained in our annual reports and having done so, there is one overwhelming conclusion that I have reached: "Plus ça change, plus c'est la même chose".

One thing that firmly remains at the forefront of the Commission's thinking is the need to maintain, and where possible enhance, the reputation of the Bailiwick as a good place to do business. A good business climate requires the close cooperation of all parties involved working together towards achieving the same objective albeit from oft-required different perspectives. Much of this falls on the States with the need for effective policies covering areas as diverse as external transport links, population growth and the funding of Law Enforcement. For the Commission, tasked with the execution of proportionate regulation of the financial services sector of the economy, effective working relationships with the Government and the various organisations representing the licensees is essential.

I would venture that 'sluggishness' has unfortunately been the hallmark of the Bailiwick's economic growth over the last nine years, with those involved in helping drive this growth having to work much harder to achieve satisfactory results. Comments about limited growth opportunities have been frequent and were partly behind my aim to help reduce barriers to growth in the Bailiwick through a rewrite and simplification of the existing laws governing financial services in the Bailiwick, utilising the concept of the 'Rule of Law' to keep the Bailiwick as an attractive place to do business. After seven years, that project has now been completed and is in its final stage awaiting enactment. As those of you who attended the Commission's annual conference when I first became Chairman will probably recall, I took the opportunity to demonstrate through the choice of music accompanying my speech that the "status quo" is rarely acceptable in a business context. Things must constantly evolve to enable jurisdictions such as the Bailiwick to remain competitive and thrive. That inevitably involves new thinking and the development of new

initiatives and products within financial services as well as having to respond, in a proportionate manner, to the incessant increase in international standards.

International regulators have continued to produce large volumes of new regulations, with Basel III and Solvency II regulations dominating the scene. The States, with advice from the Commission, seek to adopt and apply appropriate international standards and tasks the Commission with implementing these in a proportionate manner whilst bearing in mind the importance of the financial services sector to Guernsey. We need to be able to ensure that the Bailiwick is considered a 'good international citizen' through applying appropriate international standards that facilitate good financial services business without the regulatory framework becoming overly bureaucratic. The Commission approaches this requirement of getting the balance right by using a risk-based approach to its supervision of over 2,200 entities in the industry. The Commission's resources are necessarily limited and we need to make sure they are deployed in a manner that is the most beneficial to the Bailiwick. That is where risk-based supervision, supported by good technology, comes in. At the same time, the Commission has exercised strict control of its budgets over the past nine years and whilst this approach will be maintained, it is becoming increasingly clear to Commissioners that the Commission requires some additional resources in the near future if we are to remain on top of the ever-increasing regulatory demands, respond appropriately to new challenges and opportunities as they arise and continue to assist the States with policy development initiatives which help to protect and maintain the Bailiwick's financial services sector.

Guernsey has always prided itself on its fleetness of foot in dealing with new challenges and a clear demonstration of this was shown during the Covid pandemic. However, in other areas, such as law-making, progress appears now to be much less timely than it once was. That is not intended as a criticism of anyone but merely an observation that in some areas, Guernsey appears to have become less fleet of foot. That may be as a result of overly bureaucratic processes or possibly a shortage of resources in some areas. Nevertheless, to keep ahead in financial services, the Bailiwick needs to up its game in terms of its processes whilst fully embracing new challenges and opportunities to innovate. In this respect, the Funds, Fiduciary and Insurance sectors cannot rest on their laurels. The recent announcement that Lloyd's of London has adopted the Bailiwick's invention of the PCC structure is a clear case in point.

Chairman's Statement *(continued)*

Having good, effective and proportionate financial services regulation is in itself insufficient; there is also a responsibility to ensure that the regulations and rules are followed. The vast majority of financial services firms in the Bailiwick do just that but, regrettably, there are always the few who do not. The processes for dealing with those few firms and individuals who fail to comply and risk bringing the Bailiwick's good reputation into disrepute, were designed over 30 years ago under the umbrella of "The Financial Services Commission (Bailiwick of Guernsey) Law, 1987". Around seven years ago, the Commission identified those processes as no longer fit for purpose, particularly in an island environment where conflicts of interest are never far away. Good cooperation between the Commission and the Law Officers of the Crown led to the creation of a new framework that enabled the Commission to introduce a new construct that involved recruiting a team of highly qualified Queen's Counsel to adjudicate on the Commission's most serious enforcement cases (rather than have these cases determined by Commissioners). This Panel of Senior Decision Makers (SDMs) has greatly assisted the Commission in removing the enforcement backlogs, bringing an extra degree of independence to the decision-making whilst enabling Commissioners to focus upon their primary governance role and responsibilities. In addition, the Royal Court has indicated its support for this new approach and the manner in which the Commission has conducted its most difficult enforcement cases with a number of appeals against the Commission's findings being rejected. I would like to take this opportunity to thank Michael Blair QC, who retired at the end of last year as President of the Panel, for all of the essential work he has undertaken in helping to make the SDM process a success. I would also like to welcome Leigh-Ann Mulcahy QC who has taken over the presidency of the Panel from 1 January 2021.

Communicating effectively with the States of Guernsey, industry bodies and our licensees has also been high on the list of the Commission's priorities over the past nine years and over that time the Commission has developed various methods for engaging with our stakeholders, whether it is to seek their input, provide them with information or simply keep the channels of communication open.

It is difficult for a small jurisdiction to get its voice heard and it has been the Commission's aim to get the Bailiwick to punch well above its weight. We seek to do this in a number of ways including attending meetings of international bodies, volunteering to draft regulatory papers and taking on senior roles in the supra-national

bodies that oversee the development of regulatory policy such as the International Association of Insurance Supervisors (IAIS). Much of that engagement necessarily moved to Zoom-type platforms in 2020 and, of course, this additional work involves a considerable investment of time and money but Commissioners consider this to be a wise investment which enables the Bailiwick's profile to be raised at key international regulatory events. Those opportunities are also key in ensuring that the requirements of smaller jurisdictions that provide financial services are heard and taken into consideration when these international bodies are developing their latest initiatives.

Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) remains high on the international agenda and the Bailiwick's performance in this area will be subject to a review by the Council of Europe's MONEYVAL in two years' time. Standards judged to be effective continue to increase and the Bailiwick therefore needs to stay on the top of its game. It should therefore have been no surprise that the Financial Crime Division was one of the first newly established divisions which was introduced early in my tenure as Chairman.

On a few occasions in the past, I have talked about the low investment return environment and the risks consumers are taking when they try to use novel opportunities to enhance these returns, requiring regulators to be alert to these types of schemes some of which are scams. This issue of low returns has not gone away and if anything the ultra-low bond rates suggest this will be an ongoing risk.

The judgement by the outside world on the effectiveness of the Commission in delivering its tasks, has three main aspects: compliance with international standards, the effectiveness of its supervision and enforcement activities and the level of its independence. On this last point the Commission lost its financial independence in 2014, when the States decided to remove the Commission's powers to set its own fees. Over the last nine years the Commission has continued to demonstrate a responsible approach to budgetary management with average annual fee increases over the period 2012 – 2020 being just above 1% compared to inflation over that period averaging above 2%. At the same time, the Commission has taken difficult decisions over that same period, for example, removing the defined benefit pension scheme for its staff in favour of a money purchase scheme, performance related pay increases for its staff (with no increases in two of those years) and keeping a strict control on

the number of permanent staff employed. It would be good for the international standing of the Bailiwick if the Commission's fee making powers were to be returned to the Commission as has been recommended by a former IMF Assessor, Ian Towers in his report to government in 2017 and again, more recently in 2019, by the Assessor appointed by the International Association of Insurance Supervisors.

The professionalism of the Commission's management has substantially improved over the years with targeted recruitment and continuous training. This clearly is a requirement in an ever more complex society. The effort required from directors and staff is substantial and I thank them, as well as my fellow Commissioners for their wise counsel. Exactly nine years ago I welcomed Richard Hobbs and Bob Moore as new Commissioners; they have now retired after serving nine years respectively as Commissioners and also as Chairman of the Audit Committee (Commissioner Hobbs) and Vice-Chairman of the Commission (Commissioner Moore). I wish them well in their new endeavours.

Cees Schrauwens
Chairman



DIRECTOR GENERAL'S STATEMENT

The Macro Economic Climate

2020 was obviously not the year any of us were expecting. For almost everyone it was a year which disappointed on the downside for obvious reasons. That said, thanks to the precautionary regulations imposed by public health officials and the resilience of the Bailiwick's financial services sector, **our economy was less badly affected than many others in the world**. Coming out of lockdown in late June, having effectively banished Covid from our shores, made 2020 far more normal for the Bailiwick residents than for the vast majority of others. Moreover, given the lack of travel to the UK and further afield, many people spent far more time enjoyably exploring the Bailiwick than they might otherwise have done.

In terms of the financial services sector, we saw some containable issues in the travel insurance market with claims for cancellations rising beyond the level which most reasonable actuarial models would have allowed for. Elsewhere, the impact was far less pronounced. There were a modest number of job losses in the banking sector but only indirectly and in part because of Covid countermeasures, which should be set against a long-term trend with the number of banking licences reducing from c.50 in 2006 to c.20 now. The reasons for this are complex but the international Basel III standards now widely adopted throughout the developed world have made upstreaming of deposits from one jurisdiction to another to provide liquidity, far less valuable than it was previously. Further, the extent of quantitative easing with many major central banks now willing to discount, without appreciable penalty, assets which they would previously have questioned, has made deposit gathering much less valuable than was once the case. In essence, if you can simply take your loan book to your friendly central bank and sell or lend it to them in return for cash on good terms, as a banker you need to worry far less about gathering deposits to fund the loans you make. The vast amount of quantitative easing we have seen since the start of the pandemic¹, dwarfing the quantitative easing after the Global Financial Crisis, has compounded this longer-term trend and made the business of gathering deposits in the Channel Islands much less valuable than it was historically. It is difficult to see this secular trend reversing in the near future. A generalised economic recovery may moderate the quantitative easing practised by major central banks but it is hard to see the quantitative easing which has happened being unwound to any significant degree.

The funds sector, at one level, has not been severely affected, (at least at this stage) by the pandemic. The quantitative easing combined with the extraordinary fiscal measures taken by many

major governments have kept the valuations of many asset classes high, despite the underlying businesses of many real economy companies clearly suffering immense damage. Most Guernsey funds are not heavily geared and whilst working out accurate valuations for some assets at various points in 2020 was remarkably difficult, most Guernsey funds held up well with new funds being planned and launched throughout the year.

The fiduciary sector has once again proven that it is a long-term business. The lack of travel has clearly had an adverse impact on the ability of sales teams to develop new overseas clients but, conversely, some potential clients have reportedly become more conscious of their own mortality and decided to progress business with Guernsey fiduciaries which may have been under discussion for a number of years previously. A number of fiduciaries secured sales using video conference facilities which they would have previously expected to only be able to do on a face-to-face basis. Some firms have coped better than others but, on an average basis, fiduciary turnover was flat for 2020.

In summary, **the Bailiwick's financial services sector's initial response to Covid restrictions has been to exhibit its resilience**. We hope that that resilience can be sustained through 2021.

Looking ahead to 2021, after so many months of lockdown and damaged economic activity in most countries, the fabled V-shaped recovery appears unlikely to materialise as the trough has been too great for many businesses and workers. What is clear is that many real economy firms are likely to require capital injections as the economy reopens and we may hope that Guernsey funds and other structures will find themselves well placed to offer such investment, thus aiding the global recovery.

What is unclear at present is what effect the unprecedented quantitative easing will have over the medium-term. With it apparent that emergency fiscal support cannot now end in much of the developed world until some point in Q2, the sheer volume of monetary expansion is stark. Hopefully policymakers in major jurisdictions will be mindful of the mistaken British monetary policy imposed in the wake of the Great War. Then, industry and labour were crippled by attempts to induce deflation to enable Sterling to peg itself to gold again after the vast quantitative easing which took place to fund the war. This 1920s policy was implemented in an understandable but ultimately self-defeating attempt to restore British commerce to its pre-war strength. It will be necessary for modern policy makers around the world to face the post Covid world as it is rather than trying to recreate exactly what went before.

¹ As at the end of 2020 we had seen: (i) the UK undertake an additional £450bn of QE in response to Covid compared with the £200bn undertaken in the immediate aftermath of the Global Finance Crisis (2009); (ii) the US has seen an additional \$3 trillion of QE for Covid compared with \$2.1 trillion between November 2008 and June 2010; and (iii) the Euro area has seen €1,850 billion compared with just €60bn during its first round of QE in 2009/2010.

Short of an improbably vast increase in economic activity, it would seem likely that the great Covid monetary easing will be inflationary in some form. We have probably already seen de facto asset price inflation as investors have used near zero cost money to pile into asset classes where valuations would otherwise have decreased and this price inflation is highly likely to feed into other parts of the economy in some way over time – maybe firstly into holidays in summer 2021 if people are free to travel again by then.

Further to the inflationary spectre, the degree of state spending undertaken to prop up incomes through the shutdowns has been so high in many jurisdictions for it to be questionable whether it could ever be repaid through increased taxes or spending cuts without wearing out the fabric of a market-based economy which relies on people having appropriate incentives to work hard, save and be entrepreneurial. Contemplating the political damage that tax increases or spending cuts on the scale required would cause to politicians in major jurisdictions attempting them, one is inevitably drawn towards the conclusion that major countries which have their own currencies will simply monetise the Covid debt so it never has to be repaid in a meaningful way. That approach is not currently open to the member states of the Euro area who will continue, without treaty change, to face increasing public debt mountains with all the issues that creates for sub-sovereign entities.

Amid this high probability of meaningful economic change as a consequence of Covid, we do now finally know what Brexit means with the future relationship between the UK (and the Bailiwick) and the EU agreed. For the Bailiwick this means our terms of trade with the UK for financial services improve relative to other financial services hubs in the EU. The playing field, given embedded structures, is still not exactly level, but it is certainly much more level for us than it was when both the UK and EU were in the European Economic Area whilst the Bailiwick sat outside it. We will look to work with the States to ensure the Bailiwick continues to enjoy fair terms of trade for its financial services sector.

Finally, but certainly not least, with the election of Mr Biden as US President it appears almost certain that **environmentally friendly finance will become even more economically important** than it already is. Firms will therefore wish to understand their green investment options and their customers' preferences with regard to green investment going forwards.

We think firms should be thinking about the likely impact of these seismic economic events on their customers' portfolios and their own business models as we emerge from the Covid fog.

International Standards

The Bailiwick, as an international financial services centre, is dependent on overseas clients being able and willing to do business here. The acceptability to those clients and the governments of the countries in which they live, of using the Bailiwick is dependent to a large degree on how we apply international standards. In the context of financial services, international standards relate to the standards advanced by:-

- the Financial Action Task Force on money laundering and terrorist financing;
- the Basel Committee on banking;
- the International Association of Insurance Supervisors on insurance;
- the International Organisation of Securities Commissions on investment matters; and
- the Group of International Financial Centre Supervisors on fiduciaries².

Whilst some standards are open to degrees of interpretation dependent on the level of sophistication of a country's financial services sector, they require a necessary level of understanding, resources and resolve to successfully (and proportionately) implement them and to demonstrate how they have been implemented. The standards are not immutably fixed like the Ten Commandments. Rather they evolve over time and continual effort is required to ensure that the Bailiwick continues to comply with them to an acceptable degree. We, as a jurisdiction, are also assessed on our implementation of them as we were by the International Monetary Fund (IMF) in 2011, MONEYVAL on behalf of the Financial Action Task Force (FATF) in 2016 and the International Association of Insurance Supervisors (IAIS) in 2019 and as we will be again by MONEYVAL in 2023/2024.

We are sometimes asked what guides our work as a regulator. The answer is, to some degree, the policy direction handed down by the three democratically elected legislative assemblies of the Bailiwick. Nevertheless, to the extent that the Bailiwick wishes to remain a respectable and thus viable international financial services centre, the practical answer has to be an acceptance that the **international standards, which set the soft law, are those to which we must work if the Bailiwick businesses are to retain and enhance their access to the clients in other jurisdictions on whom they depend.**

Treading the right path, in balancing the overarching requirement to ensure the Bailiwick and its financial services sector prospers whilst implementing in a proportionate manner those standards

² In total, the Commission observes 40 recommendations and 117 principles drawn from 655 pages of standards. In addition to this, and indeed essential for the consideration and implementation of the principles and recommendations, is over 4,000 pages of guidance, framework and application advice which detail how effective supervision can be delivered.

Director General's Statement *(continued)*

handed down by international regulatory standard setters, is an extremely difficult task. I have become increasingly concerned that there is a presumption in some quarters that no matter how much criticism is directed at the Commission, nor how tight our resourcing is, the Bailiwick will always sail through the various assessments undertaken by international inspectors with our financial services sector consequently prospering. If there is one message I would like readers of this part of our annual report to take away, it is that **meeting international standards is not easy. It requires a sufficient quantity of very capable and motivated Commission officers with sufficient resources at their disposal to regulate our large, prosperous and diffuse financial services sector.** In 2020, we explored the limits of what we could do within our current resourcing envelope in terms of continuing to deliver good quality, proportionate regulation to international standards throughout the Bailiwick.

Policy Developments

Policy development continued throughout 2020 and we were delighted that in August 2020 the States of Guernsey decided to pass the package of legislation designed to modernise our financial services regulatory laws and bring them broadly into compliance with international standards promulgated between 2010 and 2012. With the Privy Council having given its assent to the new primary legislation in December 2020, we will be working through much of 2021 to update the rules which sit beneath the legislation as well as updating the insurance Ordinances associated with the overall Revision of Laws package before asking the States to commence the new legislation before the end of 2021. In doing the new rule writing, we will not be seeking to change current rules where we can reasonably avoid doing so as we have no desire to place unnecessary burdens on industry. Nevertheless, in some places the rules under the current laws are no longer fit for purpose and will need to be amended. We will be consulting on the new rules through the spring and summer of 2021.

This upgrading of our laws has been a gruelling challenge for the Commission and the Law Officers' Chambers over a number of years. I hope that we will not have to repeat a policy process of this magnitude for some decades but international standards continue to evolve and we will need to work with the States in the future to adapt laws in the Bailiwick so we are able to continue to abide by international standards.

Aside from progressing the Revision of Laws with the States, we have been developing a range of policies and administrative improvements designed to help Guernsey position itself appropriately whilst remaining within international standards.

These pieces of policy work are discussed more fully in my colleagues' sectoral reports. Key administrative improvements and policies which we have introduced to help ensure that the Bailiwick remains a good place to do business include:-

- launching a fast track application regime for managers of overseas collective investment schemes. When combined with the parallel moves made by the States to reform partnership regulations to allow for the easier transfer of partnership structures into Guernsey, this created a mechanism for investment professionals seeking a secure home for established funds to redomicile into Guernsey;
- permitting a new application process for the formation of new cells within an insurance protected cell company thereby allowing trusted insurance providers the ability to form cells more quickly to meet client demand in a flexible fashion;
- introducing new rules for pension providers to improve the initial pension regulations launched in 2017. These new rules improve the assurance pension scheme members can have that they will be fairly treated by pension providers in the Bailiwick;
- publishing guidance for custodians on their duties thereby giving them assurance as to the degree of looking through structures (including detailing what they do not need to look through) which they need to do in order to be meeting their custodial obligations to investors;
- consulting on a significant piece of deregulation – removing the non-Guernsey Fund Scheme Rules thereby lightening the bureaucratic burden on fund administrators. We plan to take forward this deregulation in 2021 subject to consultation responses;
- proposing two improvements to the Private Investment Fund regime following feedback from industry and analysis of how regulatory objectives could be maintained via alternative routes. These improvements, if we advance them after the consultation process, would enhance our PIF offering for professional investors whilst also creating a regulated family office investment vehicle, which some family offices may find helpful; and
- taking forward the Bailiwick's sustainable finance agenda by being, we believe, the first regulator in the world to offer an enhanced capital regime for insurers investing in good quality green assets. By doing this, whilst retaining an appropriately sound capital regime for policyholder protection purposes, we indicate to insurers that they are welcome to invest in productive sustainable assets without capital penalties arising.

We have also continued to work with the States on proposals to implement insurance policyholder prioritisation to bring us into line with international standards whilst the new States has passed

the Credit and Finance Policy letter we spent some years preparing following extensive consultation. Once this is translated into black letter law, it will improve consumer protection for vulnerable borrowers and give us some of the tools we require to regulate, in a proportionate manner, the FinTech businesses that do not fit neatly within our current architecture of sectoral regulatory laws – laws which can act as a disincentive to new FinTech businesses looking to establish themselves within the Bailiwick.

Coping with Covid

At the beginning of the Covid measures, the Bailiwick's Civil Contingencies Authority designated key Commission officers as essential workers. This recognised the importance of both keeping the Bailiwick open for business and of having skilled prudential supervisors on hand to help deal with stresses and strains within the financial services sector as it adapted to the Covid restrictions. We adapted our processes swiftly with the authorisations team changing its practises to allow more to be done online thereby keeping the Bailiwick open for the applications which continued to come in throughout the period the Bailiwick was locked down. We also sought to be proportionate in terms of relaxing some of our requirements whilst maintaining sufficient data flows to be able to understand the financial health of the major financial services businesses in short order. Specifically we:-

- elongated the deadlines for key returns to allow firms to focus on customer facing activities as they adapted to mass home working;
- pushed back some of the deadlines for implementation of parts of the new financial crime prevention handbook;
- supported Guernsey directors endeavouring to ensure that Guernsey based subsidiaries of groups retained sufficient liquidity to be able to continue to support operations;
- postponed all supervisory visits planned during the lockdown period rather than adding to the burdens of firms by seeking to virtualise them;
- introduced a new series of prudential thematics to obtain close to real time data allowing us to monitor the health of the sectors whilst providing advice to the States on the need (or rather the lack of the need) for it to spend taxpayer's money supporting the sector; and
- assisted the States with preparation of the loan guarantee scheme it entered into with key banks to provide support to businesses outside the financial services sector.

Internally, thanks to the foresight and skills of our IT team, we were able to adapt to 90% homeworking with comparative ease compared with some other similar sized organisations and thus maintain a high level of operational capability at all times. Thankfully, the financial instability some of us feared in the early spring did not materialise in any systemic fashion as the major economies' provision of fiscal and monetary support lifted all boats that were not already badly holed. We are, though, far from complacent. Some of the damage done by the Covid restrictions will only become apparent as the tide of multi-national fiscal and monetary support ceases to flow. Nevertheless we are thankful that the vast majority of the Bailiwick firms showed themselves to be so resilient and resourceful over the last year, continuing to provide services to their customers in extremely trying circumstances.

In terms of turnover, **we have seen businesses maintain turnover at nearly 2019 levels on an average basis**, fiduciary turnover remained flat for 2020 and modest dips in banking and insurance whilst authorisations has seen throughput for new financial services ventures running at 95% of the level seen in 2019. All of this is testament to the resilience of Guernsey's main economic sector in very adverse circumstances.

Building for Beyond Covid

Operationally, the Commission took time to consider what we had learnt from the period when we were working in a locked down environment and how to best take advantage of those lessons within the constrained resource envelope available to us. These considerations led to us making the following changes to our operating practises:-

- we have permitted some extra home working, generally for specific projects which benefit from peace and quiet. Whilst some people enjoyed home working and it suited some people with large houses, it is not ideal for everyone. We were struck by how many requests we received at each stage from staff who wished to return to the office as part of our phased return programme as the States gradually removed the various restrictions. A lot of staff found home working difficult because of issues connected with sharing a limited working space and because of the demands of childcare when schools were closed. This made home life entirely relentless with work often having to proceed late into the night once children were in bed. We also noticed that, however good one's online chat facilities and video conference suites, the quality of the conversation held

Director General's Statement *(continued)*

over electronic means generally lacked the richness of a face-to-face conversation in a room with colleagues. In terms of having good discussions with more than one person, driving forward complex projects, innovating and building rapport with new colleagues, home working is markedly inferior to office working. A significant number of people compelled to work from home exhibited signs of increased strain relative to that they would normally exhibit in a busy office. We intend to remain a largely office-based employer because we think it works best for us given that one of the many blessings of Guernsey is that no-one has a long commute;

- our positive experience of prudential thematic during the lockdown led us to plan and implement the largest reforms to our PRISM system of risk-based supervision since we implemented it in 2013/2014. We have effectively reduced the number of in-depth full risk assessments experienced by major firms and reduced the scope of those visits which do take place whilst planning more thematic work spread across a number of firms to better understand certain prudential or conduct issues. These reforms have enabled us to transfer a very small number of supervisory posts to the Financial Crime Division, which should allow it to slightly increase the number of supervisory visits it undertakes whilst also reviewing and improving many of the Commission's processes to ensure they meet FATF expectations ahead of the inspection of the Bailiwick by MONEYVAL in 2023/2024. We will assess how these new changes have worked around the end of 2021 but I'm conscious that they leave us more thinly spread on conduct and prudential matters than is comfortable. For example, a problem which crystallised at a small insurer in Q4 exposed our inability to progress steady state supervision whilst also undertaking a relatively modest piece of crisis management;
- we introduced interviewing of Money Laundering Reporting Officers on a pilot basis as they leave a regulated entity and are finding this offers us helpful insights into how the Bailiwick's anti-money laundering regulations are implemented;
- we have largely modernised our online returns system, with 47 upgraded returns deployed in a fairly seamless fashion throughout 2020 on a new and markedly more robust technology platform; and
- we have continued to develop our SupTech (Supervisory Technology) deploying two internally developed tools – COMPASS and COMET prior to the end of the year whilst planning the expansion in our use of NUIX software to better analyse unstructured data submitted to our supervisors.

In summary, despite the demands of Covid and assisting the States, we have continued to deliver key parts of our internal improvement agenda which is further discussed in the three-year business plan section of this report. For us, 2020 was the core delivery year of the 2018 – 2021 three-year business plan.

Financial Crime and Enforcement

The Bailiwick has now been my home for a number of years and I'm still struck by the number of people who, whilst acknowledging the necessity of regulation in modern international financial services (and sometimes even praising our supervision and policy development efforts), still take exception to our work combatting financial crime on the basis that they perceive it to be unnecessary or unduly assertive. This is unfortunate because, whilst **the vast majority of the firms in the Bailiwick operate honestly and competently**, there are a small number who don't. These firms are sometimes described politely as "old school." We think that is a flattering description. Over the past few years our supervisory divisions have developed their technology and skills sets. They have become remarkably adept at finding the firms which are systematically ignoring their legal obligations not to aid and abet those seeking to launder money. They have referred a number of those firms (and thankfully there are not many of them) to the Enforcement Division. The Enforcement Division undertakes a thorough investigation, liaising with Law Enforcement as and when we uncover good evidence of criminal activities having taken place. We then use our administrative powers to levy sanctions including prohibiting those from the industry who are culpable of serious law breaking in this critical area.

The evidence from hearings when we are challenged in the Royal Court by parties to enforcement actions is that our system is fair and rigorous. In several judgments following an attempted human rights action in 2020, both the Royal Court and the full Guernsey Court of Appeal confirmed that our processes are lawful and proper. We do not claim that they are nice for the individuals who we suspect of law breaking but they compare well in terms of fairness with international good practice for regulatory enforcement and they help to ensure the future for the vast majority of our financial services sector which does honest and competent business, facilitating investment for the benefit of global commons.

The individuals in our enforcement team, the lawyers who support them and the Senior Decision Makers who make our administrative decisions, expect to face robust challenge from those facing them about the facts of the matters under investigation. Unfortunately, what they too often face is abuse, misrepresentation and aggressive behaviour. We also see attempts to lobby other official sector actors to influence our enforcement efforts in some way. We are concerned about the actions of some of the parties involved in the enforcement area and the "one step removed" representations Commissioners and I receive to ask the Enforcement Division to put on kid gloves and treat everyone referred to enforcement as if they were a treasured client who cannot be upset. **We don't put people into enforcement lightly.** Enforcement is a tightly controlled process and a supervisory director will have to be convinced that

a matter is pretty serious before she or he will agree to refer it to the Enforcement Division. Sometimes the initial enforcement investigation will unearth information which makes us think that the matter is less serious than we originally thought. If that turns out to be the case we are unlikely to take the case forward to public sanction because we wish to focus only on the most serious matters. Conversely, if the initial investigation confirms the suspicions of the supervisory directors that law breaking has occurred which may have led to adverse outcomes such as investor losses or a failure to combat financial crime, then the other parties can expect the enforcement team to be civil, in the same way that the police would be civil to any suspected criminal. They should not expect our colleagues to bend over backwards to help a law breaker who has damaged investors or ignored anti-money laundering laws to enrich him or herself at the expense of others conducting honest business from the Bailiwick and those overseas left poorer than they should be as a result of the law breaking.

We would love to be able to write that there is no money laundering in the Bailiwick. We are working very hard to make sure that that is as near as true as possible but we are still some way off from achieving that goal in so much that it can ever be fully achieved in a large international financial centre managing hundreds of billions of pounds, given the very finite resources at our disposal. We'd simply like to invite those reading our annual report to treat with scepticism claims that the Commission and its enforcement process is somehow unfair. If it was, our administrative sanctions wouldn't withstand the appeal processes of the Guernsey courts. **We think it is unfair for most people to obey the law whilst some others who may have wealth and influence think they can ignore it to the detriment of the common weal.** We know that taking action against white collar malefactors is always going to be difficult, but we don't think it should be as tortuous as it has proved in recent years.

Resources

In this report I have touched on how stretched my colleagues have been at a number of points because, in our principal report to our stakeholders, I think it would be wrong not to highlight how thinly spread we are. In 2020, Jersey³ and the UK put up fees by

significant amounts⁴ to fund increased budgets⁵. Bermuda is a similar sized island to Guernsey in terms of both land area and population with a financial sector employing fewer people yet its regulator has nearly a hundred more staff than the Commission to fulfil fairly similar functions⁶. **Regulatory inflation, like medical inflation, would appear to be higher than general inflation especially given endlessly evolving international standards.** We were pleased that the new States allowed us to put up fees by 2.1% for 2021 but this follows two years in which fees were frozen whilst our costs increased. **Over the past eight years we have kept our cost increases to 2.4% on average whilst putting up our fees by an average of just 1.2%.**

We have run a budget only slightly in deficit for the last two years by making serious economies in terms of our investment in new systems and not offering our staff a pay rise in 2020. We suffered a staff wastage rate of 18.5% in 2020 which was too high for comfort. We don't need to pay our staff generously but we do need to be able to offer appropriate pay and, fond though I am of the slogan "Less is More", there are natural limits in how much ground you can expect staff to cover competently without becoming burnt out. We are not a Toronto or London business consultancy which can employ bright young things for three years, work them 70 hours a week and then replace them with yet more bright young things. We are conscious that 2020 has not been a normal year and that people are more tired than would generally be the case because of the stresses and strains of Covid and the associated restrictions but, looking beyond that, we are stretched and have asked an awful lot of a significant number of staff throughout 2020 and prior years. The Commissioners and I are hugely grateful to our colleagues who have put themselves out so much this year to achieve both really stretching targets and absorb Covid induced changes. Going forwards, we have significant reservations about how sustainable the current levels of resourcing are given the demands placed upon us. **We are very lean, albeit still fit at present.**

William Mason
Director General

³ The JFSC put up fees by between 16% (investment business), 12.5% (insurance business and some funds), 10% (banking) and 2.7% (Jersey Private Funds).

⁴ The FCA put up fees by between 9.3% and 16.5% for general insurers, 14.5% for a variety of investment firms and by 3.9% for collective investment schemes. Further the Bank of England put up fees on banks by 6.2%, general insurers by between 9.1% and 19.6% and investment firms trading as principal by between 7.8% and 24.1%.

⁵ Between 2019/20 and 2020/21 the JFSC budget appears to have increased by 14%, the Isle of Man Financial Services Authority budget by 16%, the FCA budget by nearly 6% and the PRA (Bank of England) budget by nearly 9%.

⁶ The Commission had 120 staff at end 2019 compared with 215 at the Bermuda Monetary Authority. The BMA has a monetary role in relation to the local currency which the GFSC lacks however the vast majority of the extra staff the BMA employs work on regulatory rather than monetary tasks.

Authorisations

We would have never predicted this in March 2020, but overall 2020 achieved 95% of the level of applications received in 2019. Given the challenges faced, that is a good result for the jurisdiction. As the graph at Figure 15 shows, the Non-Regulated Financial Service Businesses (NRFSB) sector was up (albeit with much lower figures). All the other sections were down, but not as materially as we might have been justified in expecting in spring 2020. December 2020 was a particularly buoyant month, outperforming December 2019 and more surprisingly just beating December 2018, which was the year that saw the highest level of applications received over the past six years.

As reflected in the Director General's statement, our ability to quickly adapt to the lockdown on applications in the pipeline was shown and the message that Guernsey was open for business resonated from the outset and throughout the rest of the year as we emerged from lockdown. This should stand us in good stead, from a reputational perspective, for at the time of writing we have just entered another lockdown and we remain able to process new business.

Similar to previous years, the applications received had a range of complex features. We continued to adopt a risk-based approach to our assessment of applications and, in the majority of cases, this allowed for straight-through processing. Authorisation Review Panels (ARPs), now a more familiar concept to industry, continued to be used where required. Even where ARPs were held, in the vast majority of cases the applications continued on to licensing, authorisation, registration, or a no objection being issued for change of controllers. Conditions or other requirements were made of some applicants where we sought tighter controls over certain aspects of their models e.g. no change to the business plan proposed without the Commission's prior approval or restricting the volume of business to be taken on in the first year.

Of course, our assessment turnaround times are always dependent on the quality of the applications received and it is pleasing to note that once again only a small number of applications submitted did not proceed to the approval stage during 2020. In 2018, over 98% of the applications submitted were approved, in 2019 this figure

decreased – but only slightly – to 97% and in 2020 we remained static at 97%. All of the applications which did not receive approval were either withdrawn by the applicant or lapsed. In 2020 we only needed to return really poor quality applications in a couple of instances.

In the last quarter of 2020, we reinvigorated our post facto reviews of the fast track application regime and this will continue to be a theme for 2021. Our aim is to review an application from each administrator participating in the regime. We will be predominately examining the due diligence performed by the administrator in order for them to be able to sign the declarations required for an application.

Those individuals who had to submit an Online Personal Questionnaire or Online Appointment form will be aware that these are reviewed by the Authorisations and Innovation Division. The levels for Online Submissions and for Online Personal Questionnaires are detailed in Figures 16 & 17. In 2020, a total of 8,990 were received via the Online Personal Questionnaire Portal. Online Personal Questionnaires and associated Online Appointments are a key part of the gatekeeper role that the Authorisations and Innovation Division plays by being the focus of our due diligence as to whether individuals wishing to operate in the Bailiwick are fit and proper.

To ensure the submission of all the Online Submissions and Online Personal Questionnaires runs as smoothly and straightforwardly as possible for the users, the Division continued to provide an online services Helpdesk. Over 2020, 9,541 email queries relating to both the Online Submissions Portal and the Online Personal Questionnaire Portal were handled. Help was provided to, for example, new users with start-up questions to those more familiar who were experiencing technical issues. As far as possible the enquiries are handled by the Helpdesk itself and, where more technical support is required, they are passed over to the Commission's IT team. Extensive work continued over 2020 to ensure the Portals remained user friendly whilst providing the information necessary to meet our regulatory remit. During 2020, 26,520 submissions were made via the Online Submissions Portal.

Authorisations and Innovation *(continued)*

Innovation

We have always said that innovation does not have to be a completely new invention, it could simply be an improvement to an existing product type. In that vein, and in response to requests from industry, we introduced four initiatives during 2020. The first introduced in May was the launch of a new application form, developed in conjunction with the Guernsey International Insurers Association (GIIA), for Managing General Agents (MGAs). Although the MGAs fall within the insurance manager licensing framework, the Commission and GIIA wished to ensure that MGAs interested in coming to the Bailiwick understood how best to apply for the relevant Bailiwick permissions required.

June saw the introduction of a new fast track application and migration regime for managers of Overseas Collective Investment Schemes to make it simpler for them to apply for a licence. The regime combines, where appropriate, the consent to migrate the manager into the Bailiwick with the licensing process within a ten-day review period or alternatively the licensing of a newly incorporated Guernsey entity also within ten days.

In October 2020, we commenced a pilot scheme for the pre-authorisation of insurance cells. The pilot scheme falls within the current legal framework and will run until the end of 2021, within a range of parameters allowing trusted insurance providers the ability to form cells within a previously regulated structure more quickly. The aim is to meet client demand in a flexible fashion and to avoid missed opportunities. An example is the renewal season for Solicitors' Professional Indemnity cover, most of which renews in October hence the starting date for the pilot. The pilot has been successful with a number of managers registered to use it.

At the same time, we also introduced an operational change to assist in shortening the total application time for an insurance licence. In the case of urgent licence applications, the Commission will consider providing approval to incorporate the entity upon receipt of the application rather than waiting until we are in a position to provide approval in principle.

All four of these changes required only operational changes and/or a new application form. There was no requirement to update rules or introduce new legislation to bring them into effect, meaning all four were innovative but straightforward.

The Commission continued to participate in the Global Financial Innovation Network (GFIN). Once remote working was firmly established across the international regulatory community, a new window for applications for cross-border trials was opened in late 2020. The lessons learnt from the initial trial in 2018/9 were applied to provide a more streamlined process for the applicants. At the close of the application window on 31 December 2020, six entities had indicated that they would like Guernsey to participate in their cross-border trial. The process of reviewing those applications is now under way.

Emma Bailey
Director



Supervision

According to the International Monetary Fund (IMF), and as at January 2021, the global economy shrank by 4.4% GDP in 2020 and the UK economy by 9.8% GDP. However, unlike in 2008, there was no global banking crisis in 2020. This was because banks were far better capitalised and more liquid than in 2008 and because governments supported the global economy with liberal monetary and fiscal policies. Banks were encouraged to maintain lending levels. Impairment levels were relatively low.

Economic conditions in the Bailiwick were largely similar to the rest of the developed world. The exception was that the position for, respectively, unemployment and public debt, remained much better due to stronger starting positions relative to other jurisdictions during the Covid crisis.

Due to Covid, the Commission intensified its supervision of the 22 banks in Guernsey, in line with other regulators. This approach

focused on capital, liquidity and asset quality and facilitated a peer analysis across bank sub-sectors. In the event, the main challenges for banks in 2020 were around conduct and operational matters rather than prudential risks. Operational challenges included working with outsourced centres, where Covid conditions might vary, and the increased cyber risks resulting from working from home. Generally, however, Guernsey banks coped well with these challenges.

As at end December 2020, total liabilities of Guernsey banks stood at £104bn (cf £113bn in December 2019). Third party deposits, that is deposits other than from banks, as at end December 2020, stood at £37bn (cf £35bn in December 2019). The number of banks in Guernsey fell by two from 22 at December 2019 to 20 at December 2020, though one of these banks retains a sister bank in Guernsey.

Policy

In 2020, the Commission discussed draft proposals around large exposures in Guernsey. A Consultative Paper is planned for 2021.

Risk Outlook

The outlook for 2021 is unclear. However, banks should:-

- treat forecasts of an economic bounce-back in 2021 with some caution;
- maintain credit standards at all times; and
- consider the impact on the bank's risk profile of medium-term volatility around interest rates.

Jeremy Quick
Director

Supervision

During 2020, we undertook 45 onsite visits to Fiduciary and Pension licensees, including four Full Risk Assessments (FRA). This compares favourably to 44 onsite visits to Fiduciary and Pension licensees in 2019.

Due to the impact of Covid and the Bailiwick's lockdown between March and June, our supervisory focus pivoted in Q2 to assessing financial stability and operational resilience. In practice, this led to a pause in onsite visits for c. five months, but an increase in other forms of engagement with licensees, regular virtual meetings and an acceleration of thematic and shorter focused engagements in the later part of the year.

A total of 131 Fiduciary Risk Mitigation Programme (RMP) actions were created during the year, this can be compared with 172 that were closed. Each RMP is tailored to the licensee and particular risk(s) it is seeking to mitigate. As in previous years, governance, operational resilience and financial crime risk continued to be the most prevalent risk types.

Our financial stability supervision highlighted that the Fiduciary sector in the Bailiwick remained stable. Due to the long-term nature of many Fiduciary relationships, this is perhaps not surprising. We observed continued growth of fewer, higher value, complex relationships; the value of assets managed by Fiduciary licensees continues to grow, turnover was flat and the number of appointments decreased. We noted a short, minor, impact in Fiduciary revenue in April, driven in part by licensees reliant on time spent adapting to working from home, but equally some of this volatility is cyclical.

For a number of years we have observed consolidation in the sector. Mergers and Acquisitions can be completed thoroughly, but all too often we observe greater focus on completing a deal and less energy spent on integrating the respective businesses or developing formalised continuity plans if outsourced arrangements fail. Operational resilience was a prevalent risk area for Fiduciary and Pension licensees throughout 2020. The consequences of poor system integration and over-reliance on outsourcing was especially visible during lockdown and is a risk area we encourage all licensees to continue to focus on.



Fiduciary and Pensions *(continued)*

Policy

“The Fiduciary Rules and Guidance, 2020” and “The Pension Scheme and Gratuity Scheme Rules and Guidance, 2020: Acting With Integrity” were issued on 18 February and came into operation on 31 December 2020.

The Fiduciary Rules replaced and strengthened existing Codes of Practice in a single rule book and brought the regime into compliance with the Group of International Finance Centre Supervisors (GIFCS) Standard. The Pension Scheme and Gratuity Scheme Rules and Guidance represented a revision of the framework based on experience and a process of ongoing

engagement with industry since the introduction of Pension Rules in 2017. The Rules also reflected the consolidation of the conduct of business elements from the former Pension Rules into the new Fiduciary Rules and removed elements of duplication.

A self-assurance training event covering the key changes that had been introduced, how certain rules came about and how responses to the consultation were taken into account is available to view on our website <https://www.gfsc.gg/events/self-assurance-event-fiduciary-rules-and-pension-rules>.

Risk Outlook

The Covid impact has clearly dominated the risk outlook for the Fiduciary and Pension sectors during 2020. The global economic impact remains uncertain as national governments face balancing public health requirements with debt management and economic recovery. Locally, the businesses of licensees have remained stable, however the longer-term impact is yet unknown. What is certain is that the pandemic has led to an increase in remote working capabilities; from a risk outlook perspective, this could promote further outsourcing and regardless of the licensees business model it exposes all to additional cyber-crime vulnerabilities.

Covid is not the only global development on the horizon or risk affecting the sector. Post Brexit international developments, continued political pressure and media scrutiny of Guernsey's position as a tax neutral jurisdiction, substance considerations and the effects of climate change should also feature prominently on licensees' risk outlooks.

Domestically, alongside the perennial challenge associated with the supply of competent staff, two risk areas have demanded supervisory attention. The first is the supply and affordability of Professional Indemnity Insurance which will form the basis of a 2021 thematic review. The second relates to the transfer of Pension Schemes and the apparent imposition of unreasonable barriers to exit. As a reminder, pension providers have an obligation to ensure they are acting in the best interest of members and manage any conflicts that may arise from seeking to maintain a revenue stream.

Gillian Browning
Director

Supervision

Covid posed a significant challenge to the global and local insurance industry in 2020. Insurance sub-sectors were affected in different ways by the virus. For captives, the key risk was for those firms that lent back to their parent in the event that the parent failed because of difficult business conditions created by Covid. For health insurers, Covid reduced non-Covid-related claims as a significant proportion of Covid cases were treated through public health care systems. Some insurers were affected by writing business interruption and event cancellation insurance. Vehicle and home contents insurers did well. Life insurers gave payment holidays when policyholders were financially compromised because of Covid-related issues.

2020 was a difficult year for Insurance Linked Securities (ILS). The global market showed some signs of revival although 2020 global losses were again significant. In Guernsey, the two rated suppliers of ILS both announced that they were going into solvent run-off; though the local ILS sector remains significant through the general use of PCCs and cells. The role of ILS in mitigating the impact of climate change is being highlighted in Guernsey.

Interest in Guernsey captives has recently increased as general insurance rates have hardened. The Commission has created a regime to make it easier for captive cells to be quickly opened for specific business lines.

The Commission also introduced a specific form for licence applications from Managing General Agents.

Given the importance of insurance managers in Guernsey, the Commission has continued to intensify its supervision of this sector. Two common themes are the cost-driven nature of this business in some cases, and the difficulty in attracting local staff.

As highlighted below in the Enforcement section, fines were applied in the case of a general insurer that failed to oversee its intra-group outsourcing arrangements. Though extreme in this case, this is by no means a unique failing among retail general insurers and their insurance managers. In short, this case should not be dismissed as a 'one-off'. Accordingly, the Commission highlighted this case in a letter to relevant insurance managers in 2020.

The Group of International Insurance Centre Supervisors (GIICS) came into its own in 2020 by facilitating discussion around Covid issues amongst its 19 members. This centered around, for example, working from home, non-physical onsite reviews and the impact of Covid on particular insurance sub-sectors.

At end-2020, the aggregate number of licences was 606 compared to 624 the previous year. Aggregate figures covering 2020 for Guernsey are unavailable at the time of printing because many insurers have an end-December year-end and will not report until the second quarter of 2021. Nevertheless, in 2019 gross assets stood at £31.4bn (£30.2bn in 2018), net worth at £12.93bn (£13.5bn in 2018), and premiums at £5.22bn (£5.25bn in 2018).



Insurance *(continued)*

Policy

In 2020, the Commission issued new Rules for Green life insurance. These Rules apply a green discount to certain qualifying investments, subject to specified safeguards. More generally, the Commission continued to be involved in the International

Association of Insurance Supervisors (IAIS) Policy Development Committee and at ExCo level as well as playing a significant role in developing core principle assurance initiatives within IAIS.

Risk Outlook

Key risks in 2021:-

- outsourcing within a group (the Commission highlighted this risk in a letter to relevant parties in 2020);
- Directors and Officers and Employers Liability claims resulting from Covid; and
- non-Covid health claims given the scale of treatment cancellations in 2020.

Jeremy Quick
Director

Supervision

During 2020, we undertook 34 onsite visits to Investment licensees, including four Full Risk Assessments (FRA). This compares favourably to 30 onsite visits to Investment licensees in 2019.

Due to the impact of Covid and the Bailiwick's lockdown between March and June, our supervisory focus pivoted in Q2 to assessing financial stability and operational resilience. In practice, this led to a pause in onsite visits for c. five months, but an increase in other forms of engagement with licensees, regular virtual meetings, and an acceleration of thematic and shorter focused engagements in the later part of the year.

A total of 127 Investment Risk Mitigation Programme (RMP) actions were created during the year, this can be compared with 107 that were closed. Each RMP is tailored to the licensee and particular risk/s it is seeking to mitigate. As in previous years, governance, operational resilience and financial crime risk continued to be the most prevalent risk types.

Our financial stability supervision highlighted that the Investment sector in the Bailiwick remained stable, in terms of both Investment licensees' turnover and Guernsey Funds. Due to our concentration of long-term, private equity, closed ended funds, this is perhaps not surprising. Very few licensees are sensitive to short-term capital market movements and revenues have remained stable, apart from a short, minor, impact in April, driven in part by concentration of NAV based income.

For a number of years we have observed consolidation in the sector. Mergers and Acquisitions can be completed thoroughly, but all too often we observe great focus on completing a deal and less energy spent on integrating the respective businesses or developing formalised continuity plans if outsourced arrangements fail. As with the Fiduciary sector, Operational resilience was a prevalent risk area for Investment licensees throughout 2020, indeed often the licensees have both a POI and Fiduciary licence. The consequences of poor system integration and over reliance on outsourcing was especially visible during lockdown and is a risk area we encourage all licensees to continue to focus on.

We completed a thematic review of "Custodians of Open Ended Collective Investment Schemes with Indirectly Held Assets" during the period. We did not identify any specific regulatory concerns, however, we did identify that further Commission guidance would be welcome and thus published a guidance note aimed at providing additional clarification about Designated Custodians' duties in this area in December.



Investment *(continued)*

Policy

2020 was a year of focusing on developing and enhancing Investment Policy. We balance three preoccupations: creating an enabling environment for good business (funds) growth, protection of investors and prevention of financial crime.

At the Commission, we are also mindful of the volume and value of investment structures that do not fall under the definition of a collective investment scheme, potentially because they have a single investor or single investment. The administration of these structures typically falls under a firm's fiduciary licence.

Our 2020 policy work resulted in a number of discussion and consultation papers that will develop into new, revised or rescinded Rules in 2021. Key policy priorities have related to the Private Investment Fund (PIF), Non Guernsey Schemes, General Partner treatment under the Fiduciaries law, Guernsey Green Fund criteria and the scope of Ancillary Vehicles.

Risk Outlook

The Covid impact has clearly dominated the risk outlook for the Investment sector during 2020. The global economic impact remains uncertain as national governments face balancing public health requirements with debt management and economic recovery. Locally, licensees have remained stable, however the longer-term impact is yet unknown. What is certain is that the pandemic has led to an increase in remote working capabilities; from a risk outlook perspective this could promote further outsourcing and regardless of the licensee's business model it exposes all to additional cybercrime vulnerabilities.

Covid is not the only global development on the horizon or risk affecting the sector. The longer-term impacts of Brexit are not yet known, including both the UK's recent moves to take advantage of leaving the EU for its funds sector and the EUs review of market access (including AIFMD). Substance considerations are central to Investment business decision making, the publication of LIBOR (a key reference interest rate for financial deals and instruments) will cease at the end of 2021 and climate change risk should feature prominently on licensees' risk outlooks.

Domestically, alongside the perennial challenge associated with the supply of competent staff, two risk areas have demanded supervisory attention. The first is the supply and affordability of Professional Indemnity Insurance which will form the basis of a 2021 thematic review. The second relates to the quality and accountability of fund directors; unfortunately, the Commission is observing too many examples of fund directors failing to:-

- appropriately understand the rationale for a particular structure;
- validate the nature of assets;
- take accountability (instead when a problem arises they point to another party, often the designated administrator); and
- manage conflicts of interests – for example continuing to generate fees rather than considering what is in the best interests of investors.

Gillian Browning
Director

Supervision

Although conditions within the Bailiwick eased considerably through the latter half of 2020, the second quarter of 2020 saw the Bailiwick placed under lockdown in order to contain the virus.

Local retail banks were in the immediate front-line. However, all the clearing banks succeeded in maintaining physical banking services. This included both Alderney and Sark. In line with UK practice, mortgage banks allowed payment holidays, although as the year progressed these were required less frequently. The local retail banks participated in the government-sponsored system of business loans, and indeed helped the government set up these facilities by drawing on UK experience.

Private banks had less need to provide local physical services, not least given their largely non-local customer base. These banks continued to service customers whilst mostly working from home.

Travel and holiday insurance was a source of concern for local residents in the second quarter. The type of questions asked of local insurance intermediaries included:-

- will insurance cover me if my flight or holiday is cancelled;
- does insurance coverage extend to hotel stays; and
- am I covered if the government has advised against travel, and so on?

Several Guernsey insurers were faced with questions from expats around the world who had bought life and health insurance. Much depended on whether specific insurance contracts excluded pandemic coverage. In practice, this became less of a concern as it emerged that Covid cases were primarily handled by public health authorities and that hospitalisation was only required in a minority of cases. Guernsey life insurers accepted the need to allow policyholders some leeway in missing or changing payments if their financial situation had changed because of Covid.

Business continuity insurance was a source of some frustration to several policyholders in Guernsey. This was in line with the UK where many of the insurers offering local policies are based. On the other hand and with the exception of hotels, businesses in the Bailiwick were closed for an appreciably shorter time than those in the UK. Action by the Financial Conduct Authority (FCA) and a subsequent ruling by the UK Supreme Court ensured eventual payments subject to contractual terms.

In 2020, the Bailiwick's economy contracted by an estimated 8% GDP and unemployment, although still less than 2% of the work force, rose significantly in absolute terms. Some in the Bailiwick contemplated whether to stop pension payments or to access pension pots early.

The local financial sector, and not least local intermediaries, strove to provide answers to the above questions and concerns. In this, they were helped by access to provider expertise, knowledge of Bailiwick customers and a determination to provide balanced and appropriate responses. Advice was also provided by the Citizens Advice Bureau and by the States of Guernsey, who also provided financial support in the form, for example, of furlough payments and backing for emergency business loans.

The Commission used the Consumer part of its website to respond to concerns as they developed. Twenty FAQs were produced in response to issues. These FAQs, for example, provided timely advice as necessary on travel and health insurance, mortgage holidays, insurance coverage if working from home and warned of the risks of day trading. Several FAQs formed the background for local press reporting. The Commission kept in close contact with relevant providers, including the local retail banks, to oversee the fair treatment of customers.

An increase in scams occurred during the year occasioned by the disruption in normal financial activity caused by Covid. The Commission published warnings on these. Appropriately, through the year, the Commission continued to be in close touch with the local financial industry – consulting on cyber security with a view to issuing rules and guidance early in 2021. More generally, the Commission has highlighted the need for extra caution around cyber security when people work from home; including identity theft.

Despite these responses, the year as a whole was a difficult time for consumers of financial services. Conversely, whilst many people strove to ensure that ends met, others saw their savings increase, given fewer opportunities to spend money.

Finally, Guernsey Community Savings (GCS), a charity that arranges basic banking services for Guernsey residents who have been unable to obtain accounts, opened its premises in the third quarter.

Conduct *(continued)*

Policy

The level of Professional Indemnity Insurance (PII) required by Guernsey intermediaries emerged as a significant issue in 2020. The supply of PII has fallen due to a change in strategy at Lloyds of London and due to higher fines issued in the UK. This had made it more difficult for intermediaries to buy an appropriate level of PII in the UK and the Crown Dependencies. In 2020, the Commission

issued questionnaires around PII access and spoke to a wide range of industry participants. This is a difficult topic where practical business needs have to be balanced against an appropriate level of policyholder protection. The Commission is now assessing the position.

Risk Outlook

The following are likely to need mitigation in 2021:-

- treating personal customers in financial distress because of Covid with due consideration;
- treating business customers with care as government support falls away; and
- clamping down on so-called high yield/low risk products.

Jeremy Quick
Director

Supervision

Most international Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) supervisors regard supervision to be fully effective only when it includes a credible onsite inspection programme to kick the tyres on the controls firms implement to prevent financial crime. The close attention paid to these onsite programmes by international assessment bodies such as the Financial Action Task Force tends to reinforce this view.

By the end of 2020, we knew the date for our next assessment by MONEYVAL against the Financial Action Task Force's (FATF) international standards. More of that later, but knowing that MONEYVAL will be examining the frequency, scope, findings and our risk mitigation programmes, it was a relief to find that despite the difficulties of adapting to lockdown, we had undertaken the following activities:-

- 40 onsite inspections;
- implemented an exit interview programme for Money Laundering Reporting Officers (MLROs) and Money Laundering Compliance Officers (MLCOs);
- published a thematic report on source of wealth and source of funds onsite inspections in the private wealth management sector;
- concluded the onsite element of the current thematic review on the role of the MLRO and reporting of suspicion; and
- engaged with the larger firms during lockdown to ensure their financial crime controls remained robust.

Quantity of supervision speaks for itself; assessors will draw their conclusions on quality; at the very least, there will be a considerable amount of material to show them.

We imposed risk mitigation programmes upon 11 firms during 2020 after identifying, during onsite inspections, significant concerns about their AML/CFT controls. We referred two of these firms, an investment manager and a fiduciary business, to the Enforcement Division for further investigation. Three firms were required to appoint expert third parties to review and assess AML/CFT deficiencies and the associated remediation plans. They also had conditions imposed on their licences where necessary. The number of referrals and third party reviews continues to remain relatively low compared to the total number of firms across the industry that are subject to AML/CFT supervision.

At the start of the year the Commission launched a six-month pilot scheme involving exit interviews for MLROs and MLCOs who left banks and fiduciaries – the Bailiwick's two highest risk sectors. This was extended in July for a further six-month trial and expanded to include the investment and legal sectors, which comprise the Bailiwick's next riskiest sectors.

We interviewed 31 individuals as part of this pilot in 2020. In most cases the information imparted during the interviews reinforced what we already knew about a firm. Nonetheless, on occasion, it resulted in bringing a firm forward in our onsite inspection schedule. We encountered no reticence from the individuals we wished to meet and in general, we gained the impression that most individuals welcomed the opportunity to speak to the regulator about their role, experience and the culture in a firm.

Overall, the initiative provided us with useful insights into these key roles, assisted our understanding of the challenges MLROs and MLCOs face and occasionally issues were raised that we were not fully aware of which assisted us in our supervision. The Commission decided at the start of 2021 to make the pilot scheme permanent and applicable to all sectors.

During lockdown, we joined up with the Investment, Fiduciary and Pension Division on its themed work on the resilience of larger firms during the lockdown. We were encouraged to find that that firms' monitoring controls and suspicious transactions reporting were not compromised during this time.

We published a report in July on a thematic review of source of wealth and source of fund practices in the Bailiwick's private wealth management sector, comprising of private banks, fiduciaries, investment managers and, because of their advisory role, the legal sector. We found good examples during our onsite inspections, but there were also some instances of poor practice, which led to us imposing RMPs on six of the 47 firms which had taken part. We understand that firms have found the report helpful.

Also in July, we commenced our examination of the role of the MLRO and the reporting of suspicious activities across the financial services and prescribed business sectors.

Policy

Guernsey's first comprehensive risk assessment of its money laundering and terrorist financing risks (the National Risk Assessment – NRA) was published by the States of Guernsey at the start of 2020 to which we had made a significant contribution in relation to assessing the risk within each of the financial services and prescribed business sectors. Fortuitously its publication occurred before lockdown.

It was very encouraging to find that there was considerable private sector interest in its findings with nearly 600 senior representatives from industry attending in person a series of presentations which we delivered jointly with representatives from the Policy and Resources Committee and the Financial Intelligence Service.

Its publication marked a key milestone towards preparing Guernsey for its next MONEYVAL evaluation whose onsite component is scheduled for the end of 2023/early 2024. The assessment, which will conclude at a MONEYVAL plenary in 2024, will be against the FATF's 2012 International Standards on Combatting Money Laundering and the Financing of Terrorism and Proliferation. Assessors will use an exacting methodology weighted towards assessing the effectiveness of a jurisdiction's Anti-Money Laundering and Countering of Terrorist Financing framework. It examines not only how effective the authorities are but also how effective the private sector is in applying measures to prevent money laundering and terrorist financing.

A key tenet of the FATF Recommendations is the application of a risk-based approach to combat money laundering and terrorist financing. It will be essential that we all can demonstrate we have a thorough understanding of these risks and mitigate them effectively if the Bailiwick is to do well. It was therefore very encouraging to see nearly 400 industry professionals at our sector specific workshops on the NRA in September at which we could discuss in more depth the risks in their sectors.

We will continue to run regular workshops providing feedback on supervision and highlighting important elements of firms' controls such as customer due diligence, beneficial ownership, managing high-risk relationships and reporting suspicion. We hope to see the majority of firms represented at these workshops as this will help industry prepare for 2023.

Further to the publication of the NRA, we proposed changes to the Handbook on Countering Financial Crime and Terrorist Financing to assist firms in identifying high-risk countries and jurisdictions for money laundering and terrorist financing purposes. These changes consisted of two new appendices, one listing countries or territories identified as high-risk by the FATF and the second listing countries and territories identified by reliable and credible authorities as high-risk. These authorities include the FATF, HM Treasury and the US Treasury. Alongside these sources we also identified whether there was relevant source information held by non-governmental organisations and think tanks, which may also assist firms in determining the level of country risk. I hope firms will find these appendices useful as these sources identify what particular risks are prevalent, such as drug trafficking or state sponsorship of terrorism.

These changes came into effect on 19 June and we issued a short video clip summarising the key changes.

In response to industry enquiries at the start of lockdown, in early April we issued an FAQ on how a firm's use of video calls, including software apps, to verify identity, could comply with the rules in the Handbook. We were encouraged to learn that this guidance assisted some firms in taking the decision to move away from paper-based verification to electronic processes for the identification and verification of individual persons, a move we hope more firms will consider.

Financial Crime *(continued)*

Risk Outlook

Covid presented the global criminal fraternity with a new guise to defraud individuals, business and governments or to subvert, through corruption, public funds intended to alleviate suffering during this health and economic crisis. As the world moves out of this crisis it is extremely important for the Bailiwick's financial services firms and prescribed businesses to remain vigilant over the provenance of the assets which they manage and administer or assist in that management and administration by providing professional services to ensure that they are not aiding fraudsters (including cyber-criminals), tax evaders or the corrupt.

Fiona Crocker
Director



Cases reported

2020 was a highly disruptive year for reasons which we all know and have lived with for twelve months now. The enforcement world was no different in that regard, however, we endeavoured to maintain momentum across a number of investigations. There were several completed cases across the various sectors which dealt with poor conduct and law breaking amongst a very small percentage of firms and individuals.

From a consumer perspective, one case stood out in 2020. An insurance intermediary was conducting Category 2 controlled investment business under the Protection of Investors Law, without an appropriate licence to do so. This meant that their professional indemnity insurance did not cover this business, which was to the detriment of those that had invested and lost considerable amounts of money. It was also discovered that a financial adviser who was a director of the firm, had exploited an elderly client, who happened to be their largest client, for their own financial gain. The financial adviser also sold shares in the firm to this client, with an indication that dividends would be paid, knowing the company was in poor financial health. In addition, the shares were sold at a grossly inflated price the financial adviser could not justify when compared to other shares that had been sold. There were also serious conflicts of interest surrounding this transaction which were not managed in a manner that the Commission would expect. The Commission will always seek to afford the general public protection against these types of operators. A final decision was handed down by one of the Commission's Senior Decision Makers.

In another contested case before a Senior Decision Maker, a local privately owned trust company, that held a client base of high-risk clients, some of whom were Politically Exposed Persons (PEPs), was found to have committed a wide range of serious breaches of the AML/CFT Handbook as well as Corporate Governance failings.

The firm's failings exposed the Bailiwick to the risk of financial crime. In two of the client files reviewed, there was a high possibility that structures administered by the firm may have been used for transactions involving the proceeds of crime, a matter which jeopardises the reputation of the Bailiwick as an International Finance Centre (IFC). This was particularly serious given the high proportion of clients of this firm who were classified as high risk including some with PEP status.

In another case that a Fund Administrator chose to settle, it was found necessary to appoint inspectors to look into a number of serious matters. The firm had previously been sanctioned by the Commission in 2016 and it was felt that this was a proportionate

way to proceed. The failings identified were widespread and included, inter alia, poor management of conflicts of interest, funds not being managed in accordance with the principal documents, not abiding at times with contractual and legal obligations and failure to obtain adequate client due diligence and enhanced due diligence in relation to the firm's book of business. To their credit, the directors accepted that matters had not been dealt with as they should have been and they co-operated fully throughout, but the failings were so systemic and serious in nature that sanctions were imposed for a second time on the firm and certain individuals.

A further case where a firm chose to settle involved a general insurer that provided medical health insurance cover to over 2,000 policyholders. It was found that due to corporate governance failings and lack of proper oversight of the business in the Bailiwick, there was a lack of capital and liquidity, which could have seriously put at risk the payment of claims to policyholders and therefore posed a reputational risk to the Bailiwick. Full co-operation was provided by all persons involved which was reflected in the sanctions imposed.

We embarked on split settlements with parties for the first time in 2020 i.e. where settlement was reached with some, but not all, of those who were the subject of an investigation. Those who chose not to settle preferred to have their case determined by a Senior Decision Maker. One split settlement involved a licensee although at the time of writing further details have yet to be released as matters are still ongoing in other areas of the case which will be fully reported on in due course and if appropriate to do so.

In total, across all concluded investigations last year, there were seven prohibition orders made for varying periods of time, dependant on the findings and severity of them. Further, there was also one Director Disqualification Order application brought before the Royal Court under the Companies (Guernsey) Law 2008, against a convicted money launderer. The Order was made for a period of twelve years and was brought in order to further protect the general public against those involved in the most serious of law breaking. In the judgment, the Deputy Bailiff stated that "the reputation of the Bailiwick is fundamental to the sustainability of the island's economy for the benefit of the population as a whole."

We will continue to bring these applications before the courts where there have been criminal convictions for serious economic crime and where we determine that wider protection of the public is required.

General process

At the beginning of 2020, we had thirteen active cases and at the end of the year this reduced by one to twelve. However, during a disruptive year six cases have been brought to a conclusion, with sanctions being brought in five cases and one case being referred back to the supervisory division.

Due to the necessary Covid restrictions, it remains a challenge to hold face-to-face meetings and interviews with key people who are off-island. This is something with which every enforcement agency worldwide is having to contend, however, we have completed six cases, partially completed two others with split settlements, with a further two now before a Senior Decision Maker. One further case has been with a Senior Decision Maker for more than three years.

During 2020, and as a result of previous enforcement activity, two connected parties unsuccessfully attempted to judicially review the decisions and actions taken by the Commission. After an initial hearing before the Royal Court, which found in favour of the Commission, the matter was resolved with one of the parties out of court.

A further case was brought before the courts where an individual, who had been sanctioned by the Commission, sought to claim damages of over £7 million against the Commission. The entirety of the claim was groundless and was struck out by the Royal Court. Both this ruling, and the subsequent appeal by the party to the full bench of the Guernsey Court of Appeal, provided some very helpful guidance on the Commission's enforcement process with a key finding being that it is fully compliant with the requirements of the Human Rights legislation.

The Enforcement Division also went through an internal audit last year, conducted by an international enforcement specialist. The report highlighted the Commission's enforcement process as being both very fair but also far lengthier than in other jurisdictions. This can be attributed to the fact that we allow several stages of representations to be made by parties before a matter is finalised. This provides extensive opportunities to those under scrutiny to produce all the relevant information necessary to enable the Commission to make an informed decision based upon the facts. The one key message I would give to those that find themselves being referred to enforcement, is to use the representation opportunities wisely and focus on addressing the issues at hand instead of creating a plethora of process-driven arguments that merely serve to prolong cases without changing

the outcome. The Commission has successfully defended its process time and again before the courts. On occasion, we have seen that after several months of what can only be described as 'gamesmanship', sensible discussions then often take place as those under investigation come to accept that they cannot simply deny the history of wrongdoing which we have exposed.

From an operational point of view, across all investigations there were 32 statutory notices served on individuals and licensees under the various regulatory laws. Of these, 11 were for the provision of information and the remainder related to interview requests. These Notices always provide the Enforcement Division with a large volume of material to work through, enabling us to reach an informed decision of what, if anything, has gone wrong, and then to seek to question why. This resulted in 22 interviews being conducted during the year, which was almost double that of 2019. In most cases, interviews are helpful in providing explanations relating to the material that has been gathered, which can sometimes be subject to different perspectives.

On the International stage, I continued in 2020 to represent the Commission on Committee 4 for the International Organisation of Securities Commissions (IOSCO), albeit attending meetings remotely. During this period, the Commission has acted as penholder for two jurisdictions with their application to become signatories to the Enhanced Multilateral Memorandum of Understanding and these will continue into 2021. Regulators around the world need to ensure financial markets are safe for investors and are working to improve their technological systems and tools to detect market misconduct better.

During 2019 and 2020, I was also part of an assessment team from the Group of International Finance Centre Supervisors (GIFCS) involved in an assessment of another jurisdiction against the GIFCS standards. This was completed in the spring of 2020. The Deputy Director of Enforcement is currently part of an assessment team of another IFC with the results to be concluded in 2021. Although these evaluations are intensive and involve considerable work for the assessors, they offer valuable insights for those taking part, and can in turn potentially drive improvements in our own jurisdiction.

Simon Gaudion
Director

SENIOR DECISION MAKERS

This is my sixth report as the President of the Panel of Senior Decision Makers which was established by the Commission in 2014. The Panel of available decision makers has remained during this year as it was in 2019, except for the welcome addition to the Panel, in October 2020, of Judge Russell Finch, who had retired as a Judge of the Royal Court earlier in the year.

At the year-end, the strength of the Panel accordingly was as follows:-

- Glen Davis QC (England and Wales)
- Judge Russell Finch (Guernsey)
- Catherine Gibaud QC (England and Wales)
- Kirsty Hood QC (Scotland)
- Ben Hubble QC (England and Wales)
- Richard Jones QC (England and Wales)
- Terence Mowschenson QC (England and Wales)
- Leigh-Ann Mulcahy QC (England and Wales and the Republic of Ireland), and
- Alison Potter (England and Wales).

During the year, five cases were before a Senior Decision Maker. Four of the cases were before the four new members of the panel (those appointed in 2018), and the fifth case was the very long case mentioned in my Report for 2019, which was still running at the end of 2020. All four of the 2018 intake of new Senior Decision Makers have now had a case, with two of the cases still in progress at the year-end.

Two decisions were arrived at by a Senior Decision Maker and made public in the course of the year. The first gave rise to three public documents on the Commission's website dated 4 May 2020. These were a Public Statement and two Prohibition Orders relating to two individuals involved in the case. A company licensed to act as an adviser and promoter in relation to collective investment schemes and as an insurance intermediary was found to have carried on activities outside the scope of that licence (advice and promotion of structured bonds with a derivative element) and to have done so in breach of certain conduct of business requirements, including by giving unsuitable advice.

The second also gave rise to three documents on the Commission's website, on 11 and 31 December 2020. These were two Prohibition Orders followed by a Public Statement. A company licensed as a fiduciary, with a business relating to company administration for the benefit of high net worth individuals (including politically exposed persons), was found to have committed compliance failings over a number of years particularly in the context of requirements to combat money laundering.

The Coronavirus pandemic impinged on the arrangements for decision making by Senior Decision Makers in that the question arose whether the "lockdown" in the UK, and the equivalent emergency restrictions in the Bailiwick, would make it impossible for them to continue with oral hearings during the pandemic. Fortunately, however, the Civil Contingencies Authority in the Bailiwick made some emergency provisions so as to enable remote sittings to take place. Under Regulation 19 of The Emergency Powers (Coronavirus) (General Provision) (Bailiwick of Guernsey) (No. 6) Regulations, 2020 (Guernsey Statutory Instrument 2020 No 84) a Senior Decision Maker was, with effect from 4 September 2020, enabled to undertake some or all of the work referred to in that regulation outside the Bailiwick, including the "holding of oral hearings". This provision has been relied on since September in four cases.

Another impact of the pandemic was the cancellation of the training day for the Senior Decision Makers that had been organised for the autumn of 2020.

Finally, I should mention that my own term of service as President of the Panel was extended to the end of 2020 and that I am succeeded following my retirement, with effect from 1 January 2021, by Leigh-Ann Mulcahy QC, who has served as a Member of the Panel since its inception. I offer her my warm congratulations on taking on this function and I wish her well in carrying it forward.

Michael Blair QC

President of the Panel of Senior Decision Makers

Risk

As for all organisations, 2020 brought a unique set of challenges to the Commission. Whilst initially, the Risk team operated as a strong 'second line of defence' for the Commission, providing challenge and assurance with respect to the supervisory visits carried out at the start of the year, with the move into lockdown and suspension of onsite visits, we had to quickly adjust and adapt.

For the six months from March to September, the consequences of Covid saw a repurposing of the Risk team into a support function for the supervisory divisions in terms of data capture, identification and analysis. A direct result of the uncertainties from going into lockdown for the first time was an increase in the environmental risk for all sectors and firms within financial services within the Bailiwick. Our main aim during this period was to understand what, if any, impact the pandemic and resultant lockdown would have on the risk profile of the Bailiwick's firms.

With the Commission's staff working from home during lockdown, the Commission's supervisory approach had to change to accommodate remote supervision together with assessing the specific, and sometimes unpredictable, impacts of the pandemic. The Risk team supported the supervisory divisions with this new approach, particularly with the appropriate recording of information in PRISM in a format that could be subsequently analysed in order to ascertain the various impacts of Covid. In addition, the Risk team was able to assist supervisors with data extraction and analysis so that they had access to data which was often different from that required for "normal" supervision. It also enabled supervisors to respond to specific Covid issues quickly and predict other similar possible impacts within industry. This led to guidance being issued to firms about the potential issues associated with working from home and the risks and impacts to consider if a firm decided to move permanently to a home working model.

From the work undertaken by the supervisory divisions and analysis of the data being provided to the Commission, we were reassured that financial services firms within the Bailiwick appeared not to have been significantly impacted by the lockdown. Due to the speedy and widespread actions taken by central banks and governments worldwide, we did not see a financial crisis materialise on top of the public health one being experienced. Nevertheless, there remains the risk of a longer-term impact on financial services firms as we experience further global and local disruptions. We will continue to monitor, record and analyse risks within our firms to watch for longer-term impacts of this pandemic.

Thankfully, we were able to resume our normal supervisory visits from September 2020. However, in light of the experience gained during lockdown, we have reviewed our PRISM system and re-engineered it. Our experience throughout the lockdown taught us that looking at key prudential matters such as credit risk, insurance risk and capital and liquidity at similar firms at the same time is likely to give us better quality insights rather than looking at firms individually in isolation.

From January 2021, our supervisory approach will be changing and this will be apparent to firms in a number of ways. There will be less frequent face-to-face conversations with larger firms that have what are considered to be more straightforward business models. Full Risk Assessments for all relevant firms will be less frequent and will be more narrowly focused on governance, business model/strategy, operational and conduct risks. There will be more focused thematic on key prudential risks and conduct matters. These changes will be supported by an upgrade to our PRISM system, which has been scoped, developed, tested and implemented in a very short timeframe and working almost entirely virtually with our third party developers.

Finally, we will be gathering an increased amount of financial crime data with further enhancements to the financial crime returns due in 2021. This data, and the significant investment we made in updating PRISM for financial crime supervision in 2019, will allow us to undertake high impact financial crime inspections in advance of a future MONEYVAL visit.

Despite the impact of Covid on our planned supervisory activities, we carried out 16 Firm Risk Assessment visits and over 160 further engagements with firms. Following these, the Risk team continued to act as an internal voice of challenge to our supervisors by providing an independent view on the Risk Mitigation Programmes (RMP) set. There were 90 RMP issues assigned to firms during the year, with 290 associated actions with the Risk team providing a quality assurance role to ensure that those actions were consistent, proportionate and risk focused. These actions are created where the weakness identified at a firm for a specific issue results in an increased probability of the risk crystallising. It is reassuring to note that during 2020, a further 105 RMP issues, comprising 354 actions, were closed by the Commission following confirmation that the actions had been completed.

Risk and Financial Stability *(continued)*

We continued to set RMP actions to mitigate a wide range of risk types with a significant number targeted, as in previous years, at governance, operational, financial crime and conduct risks and while some of these may be discrete in nature, there is often an interdependency between them. There were only a small number of RMP issues and associated actions with a link to risks associated specifically to Covid and we were reassured to see that the majority of these issues were rectified in 2020. It remains important for directors to ensure they are satisfied that their firm's systems and controls in each of these risk areas are sufficiently robust to mitigate the level of risk that they face, especially if the firm operates a high-risk or innovative business model, having regard to the ongoing pandemic.

Throughout 2020, we continued to receive and review a range of additional information on the firms we supervise. This information is received from a number of sources such as online returns, firm notifications, social media and our whistleblowing hotline. From these different sources, we dealt with 8,082 alerts and raised over 2,100 triages to record the actions the Commission has or, where appropriate, has not taken. These alerts and triages cover a wide range of events from breaches of legislation or rules to reporting errors or the need to follow up an RMP action that had been set.

We continue to consider the best methods to process and analyse the information that we receive by using SupTech to augment our supervisory approach. As part of this, we have written and put into production two tools that utilise statistical machine learning to perform an analysis of large data sets and documentation, with the aim of gaining a deeper insight and highlighting initial risk indicators for supervisors. This will allow our supervisory colleagues to focus on applying their knowledge and judgement in a more targeted manner. Our intention is to continue with such developments throughout 2021.

Moving into 2021, the Risk team will remain as a mainly internal facing function of the Commission, although we continue to participate in industry events and contribute to a number of global external bodies on Regtech and Suptech as appropriate. We will continue to be responsible for ensuring that PRISM remains effective in mitigating the risks of the firms authorised by the Commission through the operation of Risk Governance Panels, the provision of regular management information and specific assurance reviews on our supervisory approach. This will be particularly important considering the significant changes to the supervisory model which have been implemented.

Financial Stability

At the time of writing our 2019 annual report, we were just heading into the start of the first pandemic in over 100 years and noted that it remained to be seen how severe the economic consequences of Covid would be. Whilst we now know more about the initial impact of the pandemic, there remains a continuing question over the longer-term, both globally and within the Bailiwick.

As an international finance centre, the Bailiwick is heavily influenced by the global economy. Whether financial services across the globe withstood the pandemic in 2020 as a result of the prudential and capital measures introduced after the 2008 global recession or because of the speedy, widespread and unprecedented policy support measures put in place by central banks and governments worldwide, remains a question to which the answer may never really be known. However, one thing is true, whereas the uncertainty from novel (and opaque) investment vehicles was transmitted to the real economy through credit supply decreases in 2008, in 2020 the financial sector played a crucial role

in absorbing the financial shocks which came with the pandemic. Supported by government actions, banks and insurance providers offered payment holidays, institutional investors bought into distressed but financially sound businesses and prevented a free fall in asset prices, payment systems remained stable despite large swings in cash demand and quantitative easing kept bond prices high.

Due to all of these actions, there was no immediate global financial crisis at the same time as a public health one. There remain, however, significant concerns over the longer-term health of the financial system once the accommodating monetary policy and government support, in place for most of 2020 (and perhaps 2021), are unwound. As noted by the International Monetary Fund (IMF), in its October 2020 Global Financial Stability Report, there remains a disconnect between rising market valuations, the evolution of the economy and future growth forecasts.

The Bank of England (BoE) reduced the bank rate to 0.1% in March 2020, an historic low, and at the time intimated it might reduce the bank rate further to a negative position, posing some operational questions to the banking sector. The fact that the BoE went as far as this along with a public debt level (according to the ONS) of 101% GDP in October 2020 and an inflation rate of 0.3% – significantly out of line with its stated target – emphasises the unprecedented level of fiscal support and highly accommodating monetary policy in place in the UK.

In its December 2020 review, the BoE also stated that it saw little immediate threat to financial stability either from the pandemic or Brexit but whether this is overly optimistic in light of the above situation or an accurate portrayal of the current position remains to be seen. The global economy is expected to grow by 5.2% in 2021, up from the 4.4% contraction in 2020, according to the IMF's World Economic Outlook. However, there is significant downside risk emanating from potential renewed Covid variant outbreaks, spill-overs from weaker demand and drastic corrections in financial markets. Balanced against these is the increasing speed of the vaccination rollout within the UK and worldwide (with some notable exceptions) along with the apparent success of the various vaccines in reducing the likelihood of hospital admission for a high percentage of individuals.

With respect to the impact on the Bailiwick, whilst it has also been severe we started from a better position than that of the UK.¹ In addition, due to swift and consistent action from the States of Guernsey and its public health officials in 2020, we experienced a much shorter lockdown than elsewhere of approximately three months. The States of Guernsey predict a fall in GDP of 8% in 2020 and whilst there has been an increase in unemployment during 2020, this still only reflects 1.7% of the working population. A large proportion of the local workforce, particularly within the financial services sector, was able to work successfully from home and also spent their holiday time within the Bailiwick due to travel restrictions which benefited other areas of the Bailiwick's economy. For 2021, the States is forecasting a fiscal deficit of £23m with a forecast of 5% GDP growth, though this was before the second lockdown at the end of January 2021.

With respect to the impact on financial services within the Bailiwick, during 2020 the Commission asked for a range of additional data on capital and liquidity from some of the largest financial services organisations. An analysis of this information, alongside the regular reporting that we received, indicated that whilst there was a dip in income and liquidity at the initial point of lockdown, there was minimal impact on the end of year positions

versus previous years. In addition, the Commission continued to see a healthy flow of applications throughout 2020 resulting in a total number of applications just below the 2019 level.

Therefore, whilst the financial services sectors in the Bailiwick and the wider economy will inevitably face a number of challenges over 2021, at the end of 2020 they have appeared to have coped fairly successfully with the initial impacts of the pandemic.

Katherine Jane
Director

¹ In June 2020, S&P estimated government debt to GDP at 16% (including the new debt raised in 2020).



THE COMMISSION'S THREE-YEAR BUSINESS PLAN

In the Commission's 2018 Annual Report, we reported on the creation of our three-year business plan and provided an update on its progress in 2019. We are now coming to the end of the initial three-year period and a number of the projects have been successfully completed, despite the challenges posed due to Covid and the associated lockdown.

Policy

A significant achievement in December 2020 was the approval by the Privy Council of our updated sector-based regulatory laws (the revision of laws project); the updating of these laws was necessary in order to meet international standards. We are consulting on the final two amendment Ordinances "The Insurance Business Law" and "The Insurance Managers and Insurance Intermediaries Law".

Following Guernsey's General Election in October 2020, we worked closely with the new States of Guernsey on a Policy Letter to create a Bank Resolution Authority which is again designed to bring the Bailiwick's laws into compliance, in a proportionate manner, with international standards on how banks in crisis should be resolved. Also, at the start of 2021, the States approved a Policy Letter which we had worked on with them, to introduce Credit and Finance legislation that will cover not only consumer credit firms, but will also enable us to create an appropriate and proportionate regulatory framework to encourage new FinTech businesses to establish themselves in the island. These types of firms can sometimes struggle to fit into the existing, sectorally-based legal architecture.

After consultation during 2019, the Fiduciary Handbook and revised Pension rules were implemented on 31 December 2020. Discussion papers were also issued on a number of policy areas that will be affected by the Revision of Laws Project, such as Ancillary Vehicles and primary and secondary fiduciary licensees and also on potential changes to the Protection of Investors regulatory framework to ensure that it remains fit for purpose. The latter discussion paper was followed up with specific consultations on our Non-Guernsey schemes and our Private Investment Funds.

Other material policy developments were made in our insurance sector with a consultation paper on introducing a green investment discount for life insurers' capital requirements. This follows on from previous work undertaken on the Guernsey Green Fund and further establishes our position as an international jurisdiction with proper green credentials.

Work was also undertaken to develop the information we collect as part of our annual financial crime return. Whilst the full update to the data collection was postponed having regard to the impact of Covid on licensees, the return was instead partially expanded in 2020. The remaining information will now be collected from licensees in 2021 on an ongoing basis. This year also saw the formation of an internal project to ensure the Commission is fully prepared for the next MONEYVAL Regional Financial Action Task Force inspection. In its initial stages, this project will be considering all relevant policy areas and ensuring that we are up to date, and in line, with all relevant AML/CFT international policies.

In 2021, there will be further policy work to ensure that all relevant rules, regulations and guidance are updated to take account of the revision of the laws for each sector. This will also impact our processes and procedures especially in the area of authorisations and our Online Portal. We understand that the States will consider enacting a Commencement Ordinance for the entire suite of revised regulatory laws sometime in the autumn once we have completed and consulted on the revised rules which need to be carefully crafted to fit beneath the new laws.

Technology

The investment in technology previously highlighted in our 2018 and 2019 reports continued in 2020 with an overall investment of approximately £1m in IT software and assets over the course of the year.

Over the last two years, a major project has seen the Commission working towards replacing the technology platform upon which all of our regulatory returns rest, developing a more resilient and adaptable software solution. During 2020, 47 forms were transferred onto the new platform along with our Online Personal Questionnaire Portal with little or no impact to licensees and bringing a number of benefits including a 'Single Sign On' to both portals. With only seven forms and our Online Submissions Portal remaining to be transferred, the project is on target and will ensure the removal of unsupported software from the Commission's systems.

Another project involved improving and updating our data storage, management and retrieval systems once again, building a more resilient structure for information management. Although progress was hampered in this area due to the pandemic, we still completed a data taxonomy and developed the new technology structure. In 2021, the emphasis will shift to system and user

The Commission's Three-Year Business Plan *(continued)*

acceptance testing before implementing the new storage system. During 2020, we also successfully completed a further project that was focused on materially updating our back office systems and processes; this project had commenced in 2019 and saw our new HR system go live on 1 January 2020. This was followed later in 2020 by the changeover to a new, simplified accounting system including a new General Ledger allowing the distribution of our annual invoices electronically, for the first time ever. It also facilitated the deployment of a system-based invoice and expenses approval process within the Commission. Many of these changes required a cultural change from manual, labour intensive checks to an online electronic system.

Finally, we continued to work on our Augmented Intelligence projects in partnership with RegulAltion, a tech venture led by two professors from University College London's Financial Computing Centre. Progress was slower than we had originally anticipated due to the impact of Covid and the difficulty of having remotely-based interactive, intensive and complex conversations about AI technology and models, alongside the disruption to the universities and other educational processes. Whilst we continue to develop a tool to analyse external auditors' reports and management letters, we made greater strides on two other machine learning tools. The first tool, which has been christened "COMET", allows, through machine learning, the identification of higher risk funds based on a wide range of information already held by the Commission and takes into account key supervisory judgements. The second tool, known as "COMPASS", enables the trends analysis of data within our banking returns with respect to concentration risk and the short-term prediction of future trends and movements. Both tools have been developed, piloted and tested in-house at the Commission and in 2021 we will look to consider how they could be expanded to include further data and sectors within their analysis. The aim here is not for these tools to replace our supervisors' judgements but rather to carry out the first level, data-heavy analysis to enable our supervisors to focus their time and supervisory judgement more productively on the key risk areas. These new tools, combined with the changes made to our supervisory model discussed elsewhere in this annual report, should continue to ensure that we spend our time focusing on high-risk firms and protecting consumers and investors.

Funding and Next Steps

Our three-year business plan represented a significant investment of Commission funds into improving our systems and processes with approximately £3m invested by the end of 2020, two thirds of which represents the development of specific software assets. The aim of this investment is to ensure that the Commission remains in a robust and stable position with regard to its technology and processes, whilst at the same time being well placed to be able to take advantage of future developments.

With the three-year period due to close at the end of March 2021, the Commission will shortly be determining which projects can form part of our next three-year business plan given the financial and resource constraints we are experiencing as those staff hired on short-term contracts to support the initial three-year business plan prepare to leave the Commission. With the forthcoming MONEYVAL Regional Financial Action Task Force inspection due in the next few years, preparations for this are likely to form a key part of the next plan along with further policy and technology work to the extent it is possible to fund this.

Katherine Jane
Director



Supervision

Despite Covid, or possibly because of it, climate change has continued to feature high on the world's agenda in 2020. The United States decided to re-align itself with the Paris Accord (and formally did so in January 2021) whilst large industrial nations such as China and Japan committed themselves during 2020 to target dates for becoming carbon neutral. Many other governments continued to press forward with a green agenda. More and more businesses recognised climate change as an issue relevant to them.

In terms of financial regulation, the "Network for Greening the Financial System" and the "Sustainable Insurance Forum" (both of which include the Commission in their membership) continue to study, research and advise on climate change. Increasingly, climate change is becoming part of routine business for regulatory standard setters such as the Basel Committee and the International Association of Insurance Supervisors.

Nevertheless, there is still a long way to go. Many senior business leaders have limited understanding of climate change, expertise

outside specialist units is limited within both the public and private sectors, business plans rarely incorporate a thorough analysis of climate change and disclosure is often partial. Greenwashing is an ongoing concern. Financial regulators themselves are grappling with questions such as "should there be a different capital treatment for green/brown assets", "what form should disclosure take", "should climate change have a wider scope", and so on.

The Commission continued to build on the foundations which we started to lay in 2018. It engaged both internationally and domestically, not least with Guernsey Green Finance. It continued to push forward its internal agenda including its purchase of land for afforestation in Scotland as a method to eventually offset the Commission's carbon footprint. In terms of supervision, the Commission began an assurance thematic on green funds. It is considering adding further green taxonomies to its Guernsey Green Fund rules as additional credible taxonomies, further to the one we have already adopted, are finalised.¹

Policy

Principally in 2020, the Commission issued rules to allow a life insurer to apply a discount to rated green funds. This is subject to guardrails to protect policyholders. We believe we are the first

insurance supervisor to adopt such an approach and hope this will encourage others to think about reducing regulatory barriers to investments designed to reduce global warming.

Risk Outlook

Licensees need to consider climate change as part of their approach regarding:-

- long-term strategy;
- immediate threats and opportunities;

- non-financial disclosures; and
- their customers.

Jeremy Quick
Director

¹ The one we currently use was created by the multinational development banks.

Human Resources

The Commission employed 114 permanent staff as at 31 December 2020.

Our staff turnover increased slightly compared to 2019. We recognise that we are often unable to compete with industry in terms of remuneration but we offer an innovative employment package which includes options such as a 'nine-day fortnight' which allows us to attract and retain staff. After a successful trial during lockdown we launched a permanent virtual doctor service to ensure staff who are self-isolating have access to GP virtual consultations when needed. We also amended our pension benefit options and in addition to offering a range of investment strategies (from Defensive to Equity), we now offer pension scheme members the choice of a Green Equity investment option. This appeals to scheme members who would prefer their investments to more closely align with their own interests in sustainability and environmental impact. Following the lockdown period and in addition to our current flexible working policies, we started trialling a new working from home policy where staff can work from home up to two days per month for pre-agreed work such as policy drafting and this has been well received.

We employed six new Graduates on our Graduate Development Programme in 2020 and they commenced studying towards the Investment Management Certificate (IMC) or Chartered Financial Analyst (CFA) Level I qualifications during their first divisional rotations.

Despite lockdown and travel restrictions, we successfully delivered our core foundation training programme to over 10 new supervisors. This included training such as minute taking, interview skills and business model analysis. We also ran 90 internal training courses including reading for meaning and understanding, the impact of Covid on business models, cyber security awareness training and Microsoft training. Internal training was delivered both in person and remotely. Our series of lunch hour talks continued in 2020 and our staff attended talks by internal and external speakers on a range of topics including FATF/MONEYVAL Mutual Evaluations, the importance of digital literacy, drafting skills and an update from the Channel Island Financial Ombudsman.

Staff attended over 200 external training events in 2020 including courses on Islamic Finance, financial planning, green and sustainable finance, project management and financial analysis and reporting. In addition, 31 staff commenced a professional qualification including CFA Levels I and II, BCS Foundation Certificate in Information Security Management Principles, International Compliance Association (ICA) International Diploma in Anti-Money Laundering, Investment Management Certificate and the Chartered Institute for Securities and Investment (CISI's) Introduction to Securities and Investment.

We continue to support our staff and their wellbeing through our internal mentoring scheme, Commission Chaplain, employee assistance programme, training mental health first aiders, arranging flu vaccinations, running internal talks on wellness and organising social events to ensure staff stay connected, both virtually during lockdown, and in-person when restrictions lifted.

We launched our new HR system in January 2020 which has greatly improved our payroll, training and reporting processes as well as reducing manual input and administration requirements. An external audit was also completed on the topic of data protection for HR data which provided assurance that we continue to have appropriate and robust data protection policies and procedures in place.

Annabel Hitchon
Deputy Director



Operations Report *(continued)*

Financial Information

Throughout this Annual Report, there are numerous references to how Covid and the global pandemic has impacted the individual areas of the Commission and this is also true for our Finance team. I am extremely proud of how quickly the team reacted, developing and then moving seamlessly, to new electronic processes following our quick switch to home working. The key outcome of this was that the Commission's finance function was able to continue operating smoothly and successfully during the full year.

Due to an ongoing and significant investment in upgrading our IT systems as part of our three-year business plan, the Commission made a small loss of £124,617 for the year. This investment in our infrastructure was further reflected in the £1.3mn reduction in our cash balance during the year. But for unusually large fine income – at least triple the long run average – our cash burn could have been as high as c. £1.8mn, clearly an unsustainable position. It was comforting to see only a small reduction in fees receivable (2.34%) despite the challenges of the year. In line with 2019, we saw significant expenditure on legal and professional fees (£1,297,830) reflecting a number of long running enforcement cases, though these fees were offset to some degree in 2020 with £706,562 of financial penalties collected (of £755,750 imposed in 2020). This compares to £131,274 collected in 2019 (of £155,000 imposed) reflecting the unpredictable nature of enforcement cases. There was a material reduction in other operating expenses in 2020 reflecting reduced training and travel costs and significant control of all expenses in light of the uncertainty during the year.

A key project within our three-year business plan has been the updating of our back office systems and technology, many of which relate to finance. Under this project, one of the aims was

to move away from a manual, paper-based process to a system-based electronic invoice and expenses approval process. The timing of a move to an electronic process was, to a large extent, taken out of our hands due to the pandemic, however this also ensured that the cultural change required for any move away from a paper-based system occurred almost unnoticed.

Despite Covid during 2020, the Commission's Finance team, with the support of a small project team, implemented a new General Ledger system. This has facilitated the electronic distribution of our annual fees invoices for the first time ever. Whilst this has seen minor teething issues for some firms, i.e. confirmation of email addresses or central email addresses set up without the permission to receive external mail, overall, the project was successfully implemented. Not only does it enable the Commission to see who has received and opened their invoice but it also facilitates a much easier and cost effective distribution of any invoices between administrators and funds.

This move has also enabled the Commission to introduce the use of an electronic invoice and expenses system thereby materially reducing the use of manual controls within our internal approvals process and at the same time strengthening our controls overall. Additional benefits from this system also include the ease with which we are now able to switch to a fully online process and home working alongside a reduction in administration for all staff across the Commission.

Katherine Jane
Director

Information Technology and Support Services

At the end of 2019, the Commission's IT team was planning for a busy and challenging 2020 with two major IT projects to deliver, the departure of some longstanding team members and planned upgrades to our server and switch infrastructure. However, it was not very long before the disturbing news coming out of China started shifting our priorities.

Covid

For the first time ever, in anger, the Commission activated its disaster recovery site so that by 16 March we had enabled dual site working. This ensured that if we had an outbreak of Covid in either location, the Commission would be able to maintain key operations including supervision and authorisations. The IT Infrastructure and Helpdesk teams were instrumental in setting up and supporting both sites but it meant that they also had to be split in order to ensure we had ongoing IT support at all times.

In addition, for the last few years, the Commission has been operating a gradual process of moving our staff from desktop to laptop computers, to allow for flexibility in working practices and for disaster recovery purposes. At the beginning of 2020, we had approximately two thirds of all staff on laptops and our Infrastructure and Helpdesk teams moved rapidly in the early weeks of the year to procure and prepare additional laptops so that by the time that the Commission took the decision to move to home working on 24 March, all staff members had the necessary equipment to enable them to work effectively.

Throughout the next three months, before all Commission staff returned to the office during the week commencing 22 June, the IT infrastructure and Helpdesk teams did an outstanding job of ensuring the stability and reliability of our Virtual Private Network and other systems. This included implementing new business communication software to facilitate direct messaging, chatrooms, video conferencing and Commission-wide Town Halls. It also involved identifying unique solutions to challenges faced by our Finance and Enforcement teams due to the specialist software they use.

All of this meant that at no point during the lockdown was the Commission unable to function effectively and carry out its vital role of ensuring the financial stability of the Bailiwick. This couldn't have been achieved without the dedication and hard work of our IT Infrastructure and Helpdesk teams and I want to take this opportunity to recognise and thank them publically for this.

Projects

As noted earlier, 2020 was also a year of delivery for two major IT projects, both equally vital but posing different challenges. The first project involved updating the software and structure behind our online portals. In 2019, we had designed, piloted and implemented a new modular structure for our portal in response to our previous software becoming unsupported; by the end of 2020, we had successfully transferred 47 forms onto the new platform. This was achieved with a number of improvements for end users, such as Single Sign On to both our Online Personal Questionnaire Portal and Online Submissions Portal. This represented a significant effort by our IT Development team who were supported by a trusted third party firm. At the start of 2021, there were only seven forms as well as our Online Submissions Portal, waiting to be transferred onto the new structure, with the project on target to be completed in 2021.

The second project was required to deliver significant improvements in our document management processes and retrieval of data. Despite the challenge of lockdown, working from home, and the project requiring collaborative, cross-Commission discussions, the IT infrastructure has been built and a finalised taxonomy agreed.

With system and user acceptance testing due to take place in the first part of 2021, this project is also on target to be completed in the first half of 2021. The new system will provide a solid and robust basis for our document and data management, which will allow us in the future to use more sophisticated tools to facilitate the effective storage, retrieval and analysis of information.

Much like any other business, we have also maintained our vigilance in an increasing risk environment of cyber-attacks, investing further in preventative controls and detection systems, alongside ongoing staff training and phishing tests. We recognise that none of this provides certainty of protection so during the year we also looked at how we might recover from a significant IT issue and tested specific parts of our disaster recovery plan.

We were also conscious that during the year we had been using our IT infrastructure in a completely different manner. When we originally designed the structure for accessing our systems outside of the office, the assumption was that this would only be used by a small number of staff for short periods of time. Due to the lockdown during 2020, we had up to 95% of our staff utilising the system at any point in time. Therefore, in line with good practice we arranged for external reviews to ensure that our systems were as robust and secure as possible.

We also have a number of external systems that are used by our licensees either to submit regulatory information to the Commission (Online Submissions Portal) or to create and update their Personal Questionnaires (Online PQ Portal) and record new appointments. Both of these systems are heavily used with peak periods during the year when deadlines fall due. During 2020, excluding planned maintenance, our Online PQ Portal was available 99.99% of the time and our Online Submission Portal was available for 99.96%. As any planned maintenance is carried out over weekend periods, this demonstrates the level of accessibility of our systems during the year.

2021

Unfortunately, the start of 2021 brought the news that no one in Guernsey wanted to hear but many of us expected, with a further period of lockdown and working from home. The Commission's IT team reacted at no notice to ensure that our IT worked well on the morning of the first working day of the 2021 lockdown. The team continues to support Commission staff, systems and processes. In addition, they will be completing a number of major IT projects before the end of our first three-year business plan.

Katherine Jane
Director

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of the Guernsey Financial Services Commission (the "Commission") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Reserves, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

In our opinion, the financial statements:

- give a true and fair view of the state of the Commission's affairs as at 31 December 2020 and of its loss for the year then ended;
- are in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102: 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"); and
- comply with the requirements of the Financial Services Commission (Bailiwick of Guernsey) Law, 1987.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, including the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Commissioners are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Commissioners for the financial statements

The Commissioners are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Commissioners determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioners are responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Commissioners either intend to liquidate the Commission or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report *(continued)*

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Use of our report

This report is made solely to the Commissioners. Our audit work has been undertaken so that we might state to the Commissioners those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Commission and the Commissioners as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton Limited
Chartered Accountants
St Peter Port
Guernsey

6 May 2021



FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Note	2020	2019
		£	£
Income			
Fees receivable		13,359,573	13,705,851
Financial penalties imposed	14	755,750	155,000
Bad debts recovered	14	3,607	32,899
Interest receivable and similar income		49,933	130,478
Net change in investments measured at fair value through profit or loss	11	152,050	225,085
		14,320,913	14,249,313
Expenses			
Salaries, pension costs, staff recruitment and training		(9,708,425)	(9,628,609)
Commissioners' fees		(268,917)	(286,700)
Legal and professional fees		(1,297,830)	(1,146,107)
Premises and equipment, including depreciation and dilapidations		(2,093,114)	(1,820,116)
Other operating expenses		(1,018,693)	(1,429,889)
Bad debt provision expense	14	(49,051)	(42,857)
Auditor's remuneration		(9,500)	(8,500)
		(14,445,530)	(14,362,778)
Total comprehensive loss for the year		(124,617)	(113,465)

The notes on pages 44 to 52 form an integral part of these financial statements.

STATEMENT OF RESERVES

For the year ended 31 December 2020

	Note	2020	2019
		£	£
Opening reserves		13,512,780	13,626,245
Total comprehensive loss for the year		(124,617)	(113,465)
Balance at 31 December		13,388,163	13,512,780

The notes on pages 44 to 52 form an integral part of these financial statements.



BALANCE SHEET

As at 31 December 2020

	Note	2020	2019
		£	£
Fixed assets			
Tangible assets	4	3,664,627	3,310,480
Non-current assets			
Land Investment	13	110,440	-
Current assets			
Debtors and prepayments	5	712,653	773,819
Short-term deposits	10	7,265,518	7,000,002
Investments	11	3,576,002	3,423,952
Cash at bank and in hand	10	574,459	1,872,402
		12,128,632	13,070,175
Current liabilities			
Creditors – amounts falling due within one year	6	(2,173,004)	(2,553,819)
Net current assets		9,955,628	10,516,356
Non-current liabilities			
Provisions for liabilities	15	(342,532)	(314,056)
Net assets		13,388,163	13,512,780
Total reserves		13,388,163	13,512,780

The Financial Statements on pages 10 to 52 have been approved by the Commissioners and signed on their behalf on 6 May 2021 by:-

C Schrauwers
Chairman

S Howitt
Vice-Chairman

W Mason
Director General

The notes on pages 44 to 52 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Note	2020	2019
		£	£
Cash flows from operating activities			
(Loss) for the financial year		(124,617)	(113,465)
Adjustments for:			
Depreciation of tangible fixed assets	4	981,786	818,850
Loss on disposal of tangible fixed assets	4	78,188	17,341
Interest receivable		(49,933)	(130,478)
Unrealised (gain) on investment portfolio	11	(152,050)	(225,085)
(Increase)/decrease in debtors and prepayments		61,166	(52,181)
Increase/(decrease) in creditors		(380,815)	1,153,751
Increase in provisions for liabilities	15	28,476	39,600
Net cash generated from operating activities		442,201	1,508,333
Cash flows from investing activities			
Purchases of tangible fixed assets	4	(1,414,121)	(1,308,860)
Purchase of land	13	(110,440)	-
Interest received		49,933	130,478
Purchase of short-term deposits	10	(265,516)	565,892
Net cash from investing activities		(1,740,144)	(612,490)
Net (decrease)/increase in cash at bank and in hand	10	(1,297,943)	895,843
Cash at bank and in hand at the beginning of the year		1,872,402	976,559
Cash at bank and in hand at end of the year	10	574,459	1,872,402

The notes on pages 44 to 52 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

The Guernsey Financial Services Commission ("the Commission") is a Public Benefit Entity whose primary objective is to regulate the finance industry in the Bailiwick of Guernsey. The reserves support the primary objectives of the Commission.

1. Accounting policies

The financial statements of the Commission have been prepared in accordance with FRS 102, the financial reporting standard applicable in the United Kingdom and the Republic of Ireland.

i. Presentation and functional currency

The financial statements are presented in pounds sterling. The Commission's functional currency is also pounds sterling.

ii. Legal status

The Commission is a body corporate established under The Financial Services Commission (Bailiwick of Guernsey) Law, 1987. The Commission's operations are conducted from offices at Glatigny Court in Guernsey.

iii. Preparation

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. These financial statements have been prepared on a going concern basis. The principal accounting policies which the Commissioners have adopted within that convention are set out below. They have been applied consistently in dealing with items which are considered material to the financial statements of the Commission.

iv. Going concern

The Commission continues to meet its day-to-day working capital requirements through its bank balances and short-term deposits. In line with guidance issued by the UK Financial Reporting Council in 2020 the Commission has reviewed going concern in light of Covid. The Commissioners having considered the Commission's available resources along with its projected income and expenditure, are satisfied that the Commission has adequate resources to continue in operational existence for the foreseeable future.

The following significant accounting policies have been consistently applied:

(a) Fees receivable

Fees are a combination of annual licence fees, application fees and late filing fees. Fees payable by licensees and registrants are enshrined in law and set out on the Commission's website, split by sector. Annual licence fees receivable are accounted for on an accruals basis. Income received prior to the 1 January invoice date for annual licence fees are treated as Fees in Advance, as part of creditors. A breakdown is shown in note 6.

(b) Financial penalties imposed

The Commission imposed financial penalties during the year under Section 11D (1) of the Financial Services Commission (Bailiwick of Guernsey) Law, 1987 as amended. Financial penalties are recognised as income receivable when the decision is made and the public statement is placed on the Commission's website. When the circumstances of a debtor give rise to concerns over settlement, and/or payment is not made within 7 days of the financial penalty being imposed, consideration is given to raising a provision.

(c) Interest receivable

Bank interest is accounted for on an accruals basis. Interest income received from fixed and notice deposits are also accounted for on an accruals basis.

(d) Investigation and litigation

Costs arising from investigation and litigation are accounted for as expenditure as incurred, whether or not it had been billed at the balance sheet date. Such costs recovered from third parties are recognised in the year in which they are received. No provision is made for expenditure or recoveries which may arise in future years.

(e) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition for it to be capable of operating in the manner intended by management. Depreciation on tangible fixed assets is calculated, using the straight-line method to allocate the cost of assets, less their residual value, over their estimated useful economic lives, at the following annual rates:

Leasehold improvements	over the shorter of the term of the lease and the estimated useful economic life of the assets
Office equipment	25% straight-line
Furniture and fittings	over the shorter of 10 years and the estimated useful economic life of the assets
Computer equipment:	
Hardware	33 $\frac{1}{3}$ % straight-line
Software	over the shorter of 7 years and the estimated useful economic life of the assets

(f) Financial instruments (financial assets and financial liabilities)

i. Recognition

All financial assets and financial liabilities are recognised when the Commission becomes party to the contractual provisions of the instrument. The financial assets and financial liabilities comprise of the following basic financial instruments: cash at bank; short-term deposits, including fixed maturity deposits, accounts where notice of withdrawal is required and liquidity funds; current asset investments in a portfolio of equities, bonds and funds; other debtors and expense creditors.

ii. Initial measurement and subsequent measurement

All financial assets and liabilities are initially measured at transaction price. Financial assets subsequently measured at fair value through profit or loss comprise the current asset investments in a portfolio of equities, bonds and funds and an investment in land. Financial assets subsequently measured at amortised cost comprise cash at bank, short-term deposits and other debtors. Financial liabilities measured at amortised cost comprise expense creditors.

iii. De-recognition

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset are settled. Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

(g) Cash at bank and in hand

Cash at bank and in hand includes cash, deposits held on call with banks, with a maturity date of less than three months.

(h) Short-term deposits

Fixed and notice deposits, with original maturities of up to three months, and liquidity funds, are included as current assets.

(i) Investments

i. A portfolio comprising equities, bonds and funds, held in listed companies, which are traded on a regular basis, is managed by an investment manager. Investments are accounted for at fair value and gains or losses on fair value are included in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

- ii. The Commission purchased forested land in Scotland to a value of £110,440 in June 2020 for the purpose of offsetting the carbon emissions resulting from its activities.

(j) Leases

Rental payments made in relation to office accommodation are treated as operating leases and are charged to the Statement of Comprehensive Income account on a straight-line basis over the lease term. Provisions are maintained for dilapidations, including redecoration, to cover future liabilities under the terms of the lease.

(k) Employee benefits

i. Short-term benefits

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement and accrued at the balance sheet date.

ii. Defined contribution schemes

Employees who joined the Commission after 31 December 2007 up until 30 June 2014 were generally eligible to be members of the Island Trust Plan ("the DC Plan"). With effect from 1 July 2014, members of the DC Plan, deferred members of the defined benefit scheme and new employees were offered a choice of pension offerings. The options consist of the DC plan, a multi-member Group RATs scheme or a personal approved pension plan. Contributions by employees are no longer a mandatory requirement.

The contributions are recognised as an expense when they are due.

2. Judgements in applying significant accounting policies and key sources of estimation uncertainty

i. Tangible fixed assets (see note 4)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives and residual value, factors such as technical innovation, product life cycles and the remaining life of the asset are taken into account.

ii. Lease classification (see note 8)

The Commission established a lease with the landlord of its Gategny Court office accommodation in September 2010. This is classed as a non-cancellable operating lease.

iii. Investments (see note 11)

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of investments measured at fair value through profit or loss. In determining this amount, the Commission has applied the concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. Investments, comprising equities, bonds, funds are valued at the reporting date at the quoted bid price.

iv. Bad debt provision (see note 14)

The recoverability of debts is assessed and where appropriate a provision is raised in line with the approved internal policies. Debtors comprise entities or individuals who, given their circumstances, are unlikely to be able to settle the debt, in part or in full. The majority of the debt arises as a result of the imposition of a financial penalty under Section 11D (1) of the Financial Services Commission (Bailiwick of Guernsey) Law, 1987 as amended.

The debts, for which a provision has been raised, are reviewed regularly to ensure that all avenues are explored to obtain recovery.

v. Dilapidations (see note 15)

Provisions are maintained for dilapidations, including redecoration, to cover future liabilities under the terms of the Gategny Court lease. A professional review of the future dilapidations liability provided an initial estimate of the level of provision to be applied on an annual incremental basis. The original amount is increased annually at the Guernsey rate of inflation as measured by RPIX.

3. Taxation

The Commission is exempt from the provisions of the Income Tax (Guernsey) Law, 1975 as amended.

4. Tangible assets

	Leasehold improvements	Office equipment furniture and fittings	Computer hardware	Computer software	Total
	£	£	£	£	£
Cost					
At 1 January 2020	1,446,221	527,861	809,725	5,179,307	7,963,114
Additions	-	20,457	122,616	1,271,048	1,414,121
Disposals	-	(4,338)	(35,374)	(346,726)	(386,438)
At 31 December 2020	1,446,221	543,980	896,967	6,103,629	8,990,797
Depreciation					
At 1 January 2020	571,713	356,426	459,090	3,265,405	4,652,634
Charge for the year	77,887	35,167	178,291	690,441	981,786
On disposals	-	(4,230)	(35,374)	(268,646)	(308,250)
At 31 December 2020	649,600	387,363	602,007	3,687,200	5,326,170
Net book value at 31 December 2019	874,508	171,435	350,635	1,913,902	3,310,480
Net book value at 31 December 2020	796,621	156,617	294,960	2,416,429	3,664,627

A loss on disposal of tangible fixed assets of £78,188 was recorded in 2020 (2019: £17,341).

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

5. Debtors and prepayments

	2020	2019
	£	£
Prepayments	600,567	648,585
Provision for bad debts (see note 14)	(54,186)	(81,797)
Other debtors	166,272	207,031
	712,653	773,819

Included in the total are prepayments of £102,209 (2019: £80,164) which relate to periods longer than 12 months.

6. Creditors - amounts falling due within one year

	2020	2019
	£	£
Creditors and accruals	947,378	922,411
Fees received in advance	1,225,626	1,631,408
	2,173,004	2,553,819

7. Post-employment benefits

Disclosure for defined contribution schemes

i) Defined Contribution Scheme

The amount recognised in the profit and loss account as an expense in relation to the Commission's defined contribution scheme, for the year ended 31 December 2020, was £118,454 (2019: £105,713). No contributions were outstanding as at 31 December 2020 or 2019. Employer contributions are calculated at 12% of pensionable salary and mandatory employee contributions were at a rate of 5% of pensionable salary up until 30 June 2014. Subsequent to this date, employee contributions are entirely voluntary.

ii) Multi-member RATs scheme ("GFSC Group Pension Scheme")

The net expense of employer contributions to the GFSC Group Pension Scheme for the year ended 31 December 2020 was £500,968 (2019: £517,454). No contributions were outstanding as at 31 December 2020 or 2019 and no contributions were prepaid as at 31 December 2020 or 2019. Employer contributions are calculated at 12% of pensionable salary and employee contributions are entirely voluntary.

8. Operating lease commitments

The Commission had minimum lease payments under non-cancellable operating leases as set out below:

	£
Lease payments up to 1 year after balance sheet date	683,297
Lease payments between 1 and 5 years after balance sheet date	2,733,188
Lease payments more than 5 years after balance sheet date	5,951,236
Total future minimum lease payments	9,367,721

The Commission leased office accommodation at Gategny Court during the year. The lease for Gategny Court is non-cancellable and expires on 16 September 2034.

9. Controlling party

In the opinion of the Commissioners there is no controlling party of the Commission, as defined by FRS 102 (Section 33.5), as no party has the ability to direct the financial and operating policies of the Commission with a view to gaining economic benefits from their direction.

10. Cash at bank and in hand and short-term deposits

	At 1 January 2020	Cash flow	At 31 December 2020
	£	£	£
Call account balances	27,283	(16,351)	10,932
Cash at bank and in hand	1,845,119	(1,281,592)	563,527
Total cash at bank and in hand	1,872,402	(1,297,943)	574,459
Fixed deposits and notice accounts	7,000,002	265,516	7,265,518
Total short-term deposits	7,000,002	265,516	7,265,518

The fixed deposits have original maturity dates of up to three months, whilst other deposits require notice of withdrawal of a maximum of three months.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

11. Current asset investments

	2020	2019
	£	£
Opening fair value	3,423,952	3,198,867
Net movement in fair value through profit or loss	152,050	225,085
Market value	3,576,002	3,423,952

A cautious strategy for these current asset investments is employed, and the portfolio comprises shares, bonds and funds, held in listed companies and gilts, which are traded on a regular basis. The portfolio was first established in February 2015.

12. Financial instruments

The Commission's financial instruments may be analysed as follows:

	2020	2019
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	3,576,002	3,423,952
Financial assets measured at amortised cost	7,952,063	8,997,639
Financial liabilities		
Financial liabilities measured at amortised cost	2,515,536	2,867,875

Financial assets measured at fair value through profit or loss comprise a portfolio of equities, bonds and funds, which are valued at the reporting date at the quoted bid price.

Financial assets measured at amortised cost comprise cash at bank and in hand, short-term deposits, liquidity funds and other debtors.

Financial liabilities measured at amortised cost comprise creditors.

13. Investment property

The Commission's investments in property may be analysed as follows:

	At 1 January 2020	Additions	At 31 December 2020
	£	£	£
Investment in land measured at fair value through profit or loss	-	110,440	110,440

The Commission acquired land in June 2020 for the purpose of offsetting the carbon emissions resulting from its activities. The initial investment is measured at cost and subsequent measurements at fair value. In 2020 fair value was determined to have not changed from the original purchase price resulting in no adjustment to profit or loss.

14. Financial penalties and provisions for bad debts

During the year the Commission imposed financial penalties under section 11D (1) of the Financial Services Commission (Bailiwick of Guernsey) Law, 1987 as amended, amounting to £755,750 (2019: £155,000). The amounts written off or provided for by the Commission during the year amounted to £49,051 (2019: £42,857).

The total of provisions relating to financial penalties as at 31 December 2020 were £45,712 (2019: £48,064). Provisions relating to other fees outstanding at 31 December 2020 total £8,474 (2019: £33,733). 2020 debts totalling £28,231 (2019: £28,886), written off during the year, are also reflected under bad debt expense. Recoveries of previously disclosed doubtful debts, reflected under bad debts recovered, amounted to £3,607 (2019: £32,899).

15. Provision for liabilities

A provision is maintained for dilapidations, including redecoration, to cover future liabilities under the terms of the Glatigny Court operating lease. Over the course of the 24 year lease the dilapidation provision is planned to increase to £700,000, subject to annual inflationary increases. Provision for re-decoration of the office is also included which needs to be undertaken on a 5 yearly cycle.

	2020	2019
	£	£
Provision brought forward from previous year	314,056	274,456
Dilapidations charged to Statement of Comprehensive Income	28,476	39,600
Total provision at year-end	342,532	314,056

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

16. Related party

Key management personnel compensation

Key management comprises the Commissioners and members of the Executive Committee. The compensation paid to key management for employee services in 2020, including pension and social insurance, amounted to £2,017,081 (2019: £1,947,636).

Related-party transactions

Commissioner Dorey, in her capacity as a Non-Executive Director of Schroders (C.I.) Limited, is not present at discussions with Commissioners relating to any business involving this firm, which provides investment and deposit administration services for the Commission.

17. Subsequent Events

There are no adjusting or non-adjusting subsequent events to report.

COMMISSIONERS

Drs. Cees Schrauwers **Chairman of the Commission**

Drs. Schrauwers is a Dutch economist with over forty years' experience in financial services. He has served as Managing Director of Aviva International, CGU Insurance and Commercial Union, covering both the general insurance and life sectors. He was instrumental in the implementation of the mergers with General Accident and Norwich Union which resulted in the creation of Aviva plc. Following the mergers he was appointed Managing Director of Aviva International, gaining valuable experience in dealing with regulators across the globe, including North America. Prior to this, he was a Partner with Coopers & Lybrand in charge of its insurance consultancy practice. He has served as Chairman of Drive Assist Holdings Limited, Senior Independent Director of Brit Insurance Holdings Plc. and Brit Syndicates Limited, Non-Executive Director of Canopus Holdings UK Limited and Canopus Managing Agents Limited, Director of Munich Re (UK) Plc and as Senior Independent Director of Record Plc for nine years. He also served as an Independent Director at the Scottish Widows Group and Chairman of EC3 Legal LLP. He is currently Chairman and Commissioner of the Guernsey Financial Services Commission. Cees was appointed as a Commissioner in 2008 and Chairman in 2012. He was educated at the Vrije Universiteit Amsterdam and the Nautical College Den Helder. He lives with his wife near London.

Bob Moore **Vice-Chairman of the Commission (until 31 January 2021)**

Bob Moore was appointed as a Commissioner in February 2012 and Vice-Chairman with effect from 2 February 2017; he stepped down as a Commissioner on 31 January 2021 on completion of his third term in office. He has spent over forty years in the financial services industry in Guernsey and internationally. From 1979 to 1997, he held positions in international banking and international private banking with the Lloyds Bank/Lloyds TSB group in South America, the United States, the United Kingdom and in Luxembourg. These included responsibility for Lloyds' international private banking operations in New York and in Luxembourg. From 1997 to 2011, he was jurisdictional Managing Director with responsibility for the Butterfield Group's operations in Guernsey, including banking, investment management, custody and fiduciary services. In June 2011, he was appointed to the position of Executive Vice-President and Head of Group Trust for the Butterfield Group and retired from that position in March 2020. He has also been a director of a number of other banks and investment funds.

The Lord Flight MA (Cantab) MBA FRSA **Commissioner (until 31 January 2020)**

Howard Flight was appointed as a Commissioner in 2005. He was the Conservative Member of Parliament for Arundel and South Downs from 1997 to 2005, during which time he was Shadow Chief Secretary to the Treasury and a member of the Shadow Cabinet. From 1999 to 2004 he had Shadow Treasury responsibilities for the Finance Acts, the financial services industry, financial regulations and pensions. He has worked for over forty years in the financial services industry, starting his career at Rothschilds. In the second half of the 1970s he worked for HSBC's merchant bank in Hong Kong and India. In 1979 he joined Guinness Mahon and established what became Guinness Flight Global Asset Management, of which he was joint Managing Director until it was acquired by Investec in 1998. He formed, and is Chairman of, Flight & Partners, which is the manager of the Flight & Partners Recovery Fund, and is currently a Director of Mercantile Ports and Logistics Limited, Downing Four VCT plc and a number of other companies and investment funds. He retired as a Commissioner on 31 January 2020.

Richard Hobbs MCIPD **Commissioner (until 31 December 2020)**

Richard Hobbs was appointed as a Commissioner in January 2012. His first career was in the UK Civil Service where he concentrated on a variety of consumer protection and European issues. Latterly, he was a Director of the Department of Trade and Industry's Insurance Division where he was responsible for overall supervision of the Lloyd's insurance market during its reconstruction in the mid-1990s. He has been Head of Life and Pensions at the Association of British Insurers, and for the past twenty years has been a consultant advising a wide range of clients in financial services on regulatory, risk and governance issues. He was previously Chairman of Faber Global Limited, a wholesale insurance broker and Barbican Managing Agency Limited, a Lloyd's managing agent. He is currently a Non-Executive Director on the Board of Beach UK Holdco Limited, a reinsurance broker. He retired as a Commissioner on 31 December 2020.



Commissioners *(continued)*

Simon Howitt **Commissioner (Vice-Chairman from February 2021)**

Advocate Howitt was appointed as a Commissioner in June 2013. He has over thirty years' experience as an advocate and is a consultant at Babbé having previously been a Partner. He served as President of the Chamber of Commerce between 2001 and 2003. Advocate Howitt has served on a number of States Committees including being a non-States member of the Legislation Select Committee and its successor, the Legislation Review Panel, since 2004, the share transfer duty working party and the Inheritance Law Review Committee. He was the Deputy Bâtonnier of the Guernsey Bar from 2012 to 2020 and is a member of the Board of Examiners for the Guernsey Bar Examinations and a member of the Editorial Board of the Jersey and Guernsey Law Review.

Wendy Dorey **Commissioner**

Wendy Dorey was appointed as a Commissioner in November 2015. She has spent over twenty years in the financial services industry in the UK, France and Guernsey. She is currently Director of Dorey Financial Modelling, an investment consulting firm, and a Non-Executive Director of Schroders (CI) Limited. She has multisector experience across investment, banking and pensions, occupying senior posts in business strategy, governance and marketing and distribution for a number of leading institutions in the City of London. During that period, she was responsible for external risk reporting to the Financial Services Authority and embedding new "Treating Customers Fairly" processes. She was also responsible for the launch and ongoing promotion of the Guernsey-domiciled M&G Property Fund to the UK Market. A strong advocate of continuous learning, she assisted the Investment Management Association in developing a new investment management syllabus for Independent Financial Advisors and, in 2018, gained the Institute of Directors Certificate and Diploma in Company Direction. She was admitted as a Chartered Director and Fellow of the IoD in 2019.

John Aspden **Commissioner**

John Aspden was appointed as a Commissioner in April 2017. He is a senior finance professional with significant experience in investment and banking supervision in both the public and private sectors. He was Chief Executive of the Financial Supervision Commission in the Isle of Man from 1998 to 2015,

where he was responsible for the regulation and supervision of all banking, securities and funds, trusts and companies, and money transmission activities. Prior to taking up his role at the Financial Supervision Commission in the Isle of Man, Mr Aspden held roles in the private sector including Managing Director of Matheson InvestNet Ltd, at the time Hong Kong's largest independent distributor of, and adviser on, collective investments for retail investors. Mr Aspden has also held the role of Deputy General Manager of the International Bank of Asia Ltd and has worked in banking supervision at the Bank of England and at the Office of the Commissioner of Banking in Hong Kong, now HKMA. Mr Aspden is also Chairman of the Group of International Finance Centre Supervisors and was awarded a MBE for his work in financial services supervision.

Philip Middleton **Commissioner**

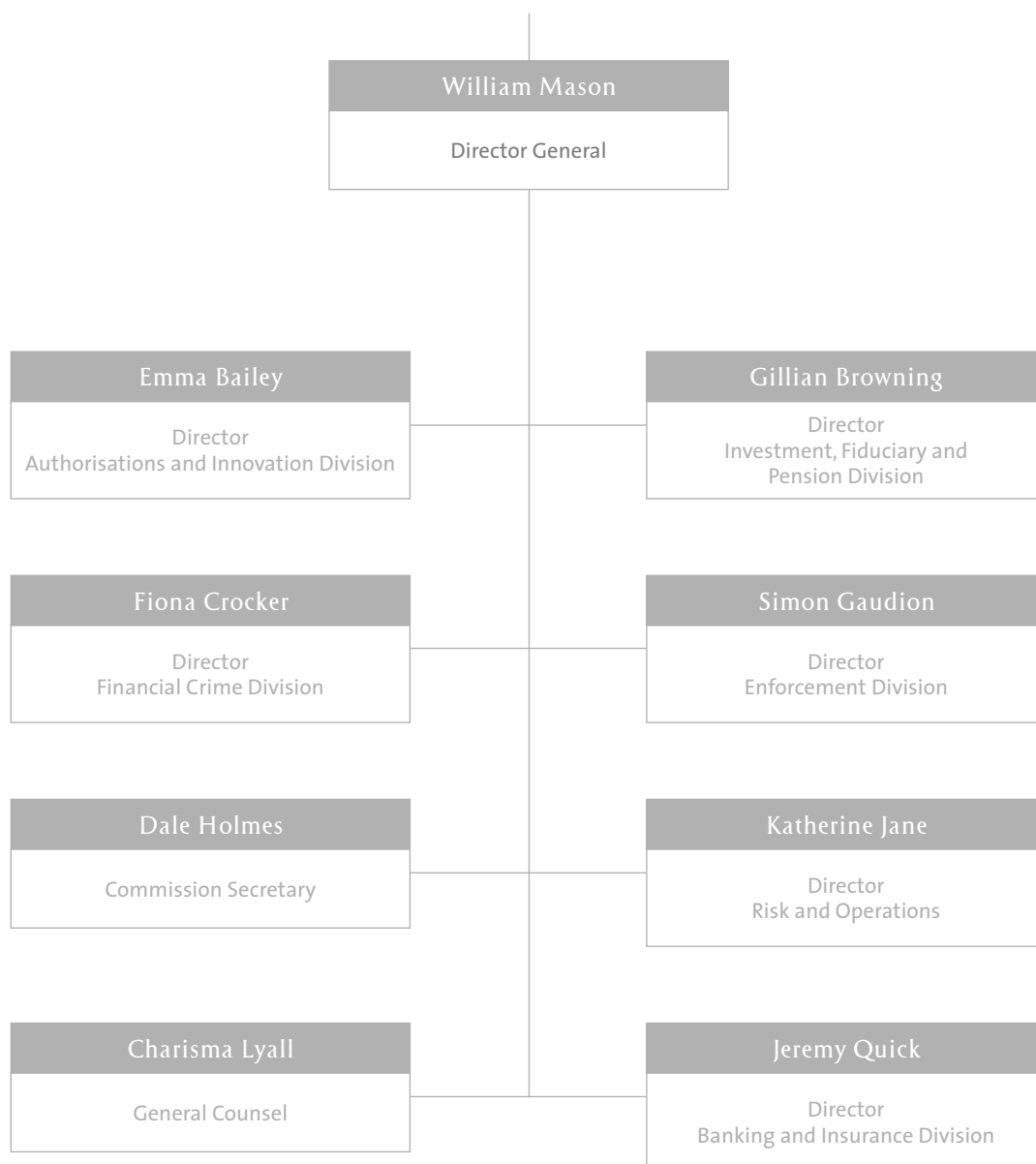
Philip Middleton was appointed as a Commissioner in April 2017. He is a senior financial services strategist with significant recent experience in advising government, central banks and financial institutions on crisis related issues. Since 2014, he has carried out consulting and advisory work in central banking and financial services through Rifle House Capital Ltd. He is also Deputy Chairman of the Board of the Official Monetary and Financial Institutions Forum, a leading Central Banking think tank. He has had significant experience in the private sector, holding various roles within KPMG LLP, including Partner and European Head of Financial Services Strategy, and within Ernst & Young LLP, including Partner and Head of Central Banking, EMEA.

Baroness Couttie **Commissioner (from January 2020)**

Philippa Couttie has held leadership roles over the past 30 years in sectors such as marketing, the City and politics. She has founded, built up and sold two businesses, been the chief Executive of a subsidiary of a publicly quoted company, been a director of Citigroup and Leader of Westminster City Council. She now sits in the House of Lords where she is a member of the EU Select Committee and the EU Services Select Committee. She is also a Non-Executive Director of Mitie where she chairs their Social Value board sub-committee and is a member of both their Audit and Nomination Committees. Philippa brings skills and experience across a wide range of areas including strategy development and turn around, along with finance and the financial sector as well as understanding UK government thinking and policy development.

SENIOR OFFICERS OF THE COMMISSION

COMMISSIONERS



STATISTICAL DATA

Investment

Figure 1. Net asset values of Guernsey schemes under management at the year-end

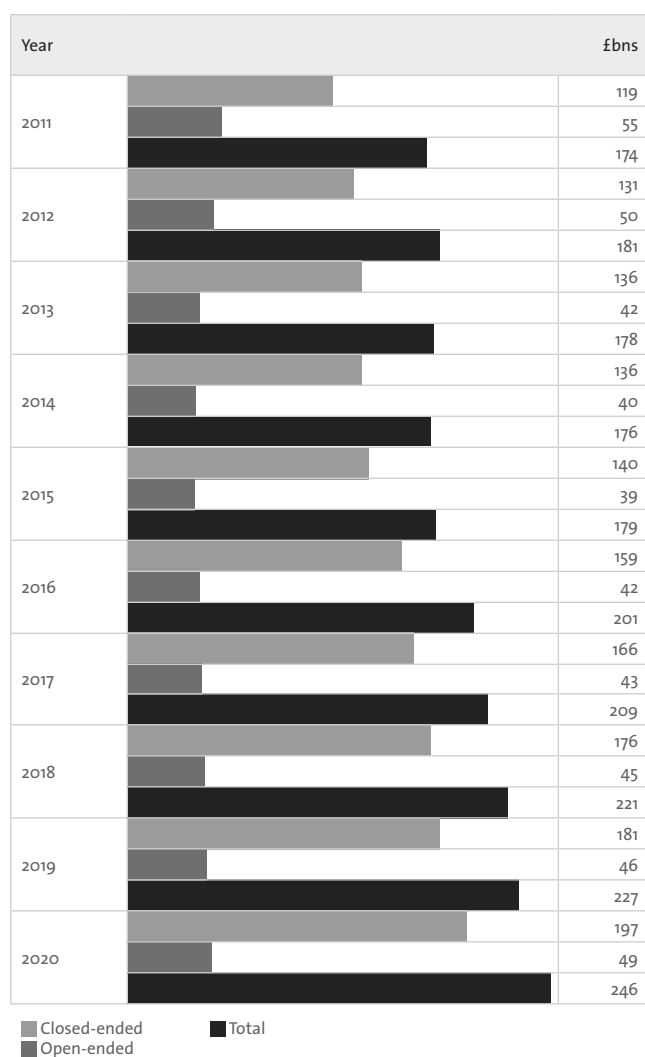


Figure 2. Total number of Guernsey investment funds at the year-end

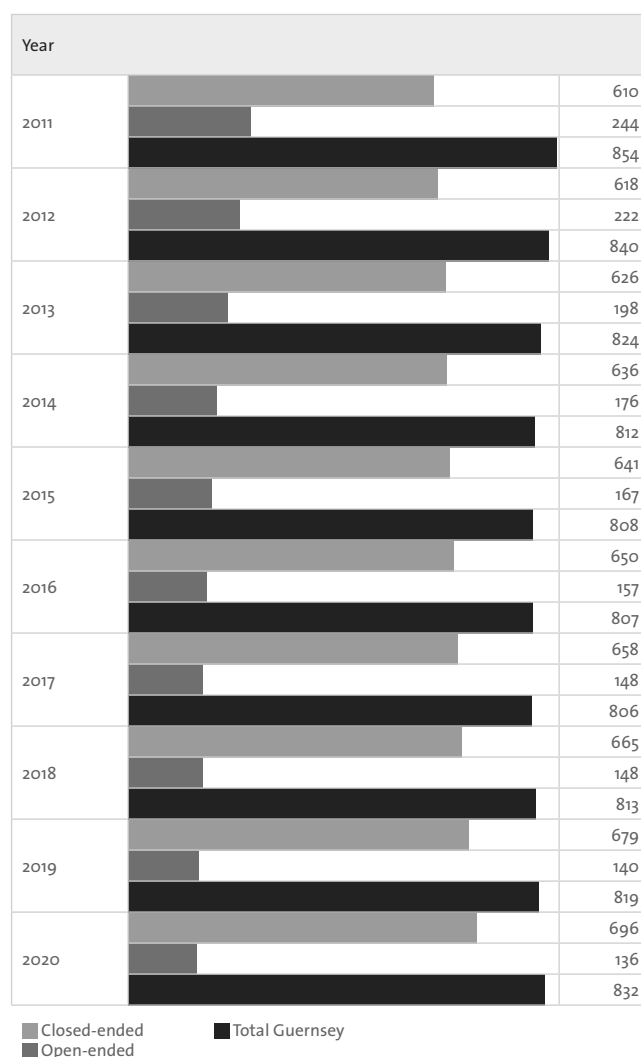


Figure 3. Total number of investment licensees at the year-end

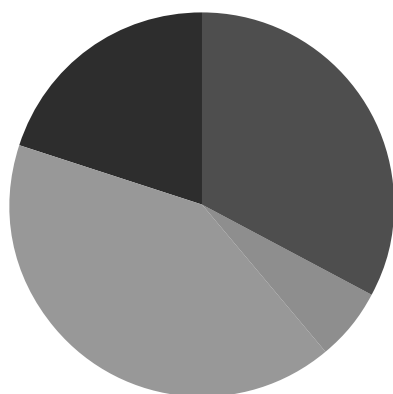
Year	
2011	654
2012	644
2013	635
2014	622
2015	639
2016	644
2017	640
2018	663
2019	677
2020	686

Under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, investment funds (Figure 2.) are either Registered or Authorised; whereas the firms (Figure 3.) undertaking Controlled Investment Business are Licensed under the same law. There is no meaningful correlation to be drawn between the number of investment funds and the number of licensees in existence.

Figure 4. Movements within period

Type	Total as at 31 December 2019	Approved in year	Lost in year	Total as at 31 December 2020
Total of open-ended schemes	140	4	8	136
of which Authorised	121	2	6	117
of which Registered	19	2	2	19
of which Qualifying Investor Funds (QIFs)	22	0	1	21
Total of closed-ended schemes	679	66	49	696
of which Authorised	334	5	25	314
of which Registered	345	61	24	382
of which QIF's	157	2	7	152
Total of licensees	677	52	43	686
Total of non-Guernsey schemes	98	1	35	64

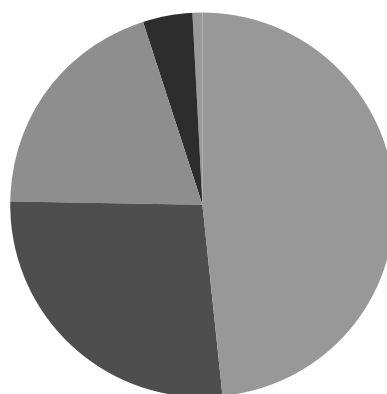
Figure 5. Ownership of Fiduciary lead licensees as at 30 June 2020*



	2020	2019
International financial group	48	47
Lawyers and accountants	9	8
Privately owned – local	60	65
Privately owned – overseas	29	32

*Based on 146 persons holding a full fiduciary licence as at 30 June 2020.

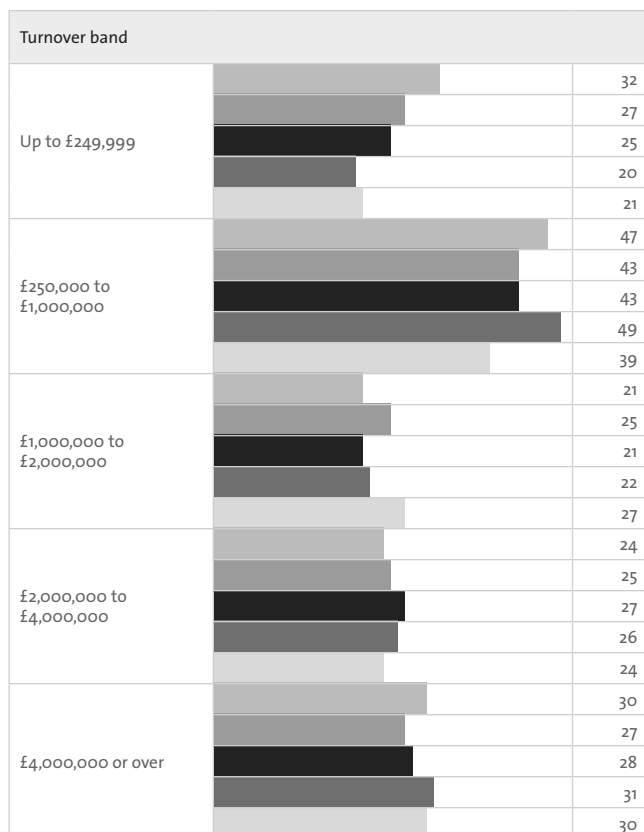
Figure 6. Staffing levels of licensees based on total number of staff carrying out regulated fiduciary activities as at 30 June 2020*



	2020	2019
Up to 10 staff	69	74
11 – 25 staff	38	36
26 – 50 staff	28	29
51 – 75 staff	6	8
More than 75 staff	1	1

*Based on the submission of an annual return by 142 licensees as at 30 June 2020.

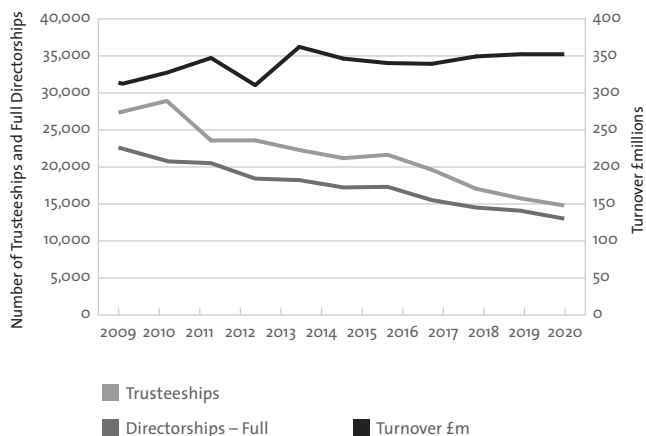
Figure 7. Number of licensees in each turnover band based on fiduciary turnover for accounting periods falling in the year ended 30 June 2020*



*Based on licensees that have submitted audited financial statements. Financial statements may not have fallen due for recently licensed companies.

2016
2017
2018
2019
2020

Figure 8. Number of Director and trustee appointments for full fiduciaries at the year-end; aggregate turnover of full fiduciary licensees*



*Please note turnover records aggregate annual chargeable fees. It does not represent assets under trusteeship.



Insurance

Figure 9. International insurers as at 31 December 2020

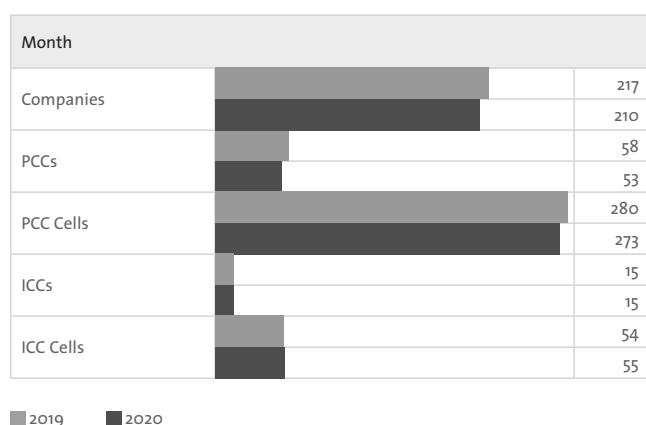


Figure 10. International insurers – net worth

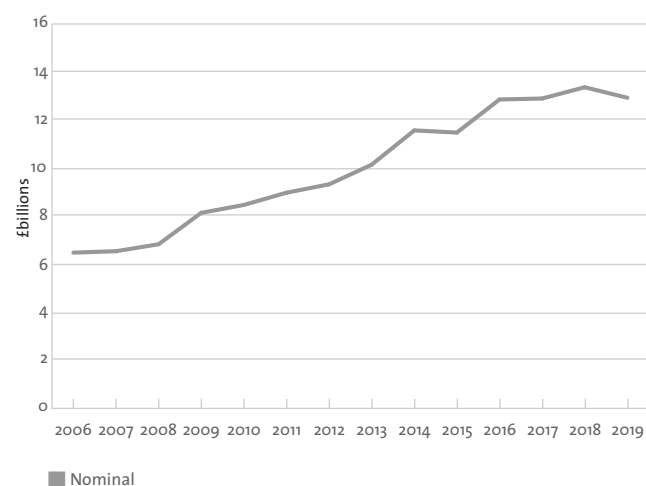


Figure 11. International insurers – gross assets

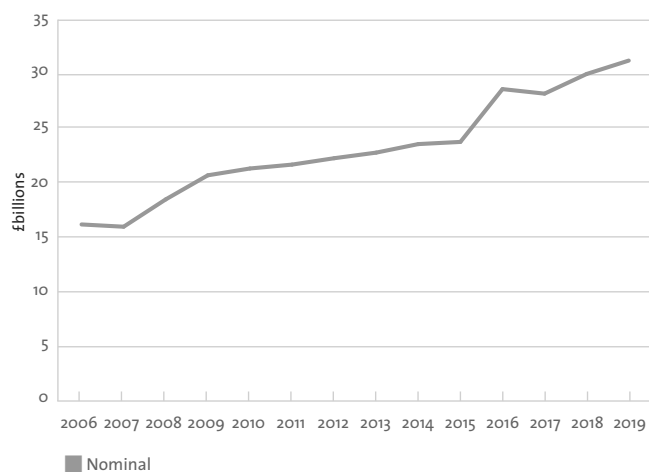
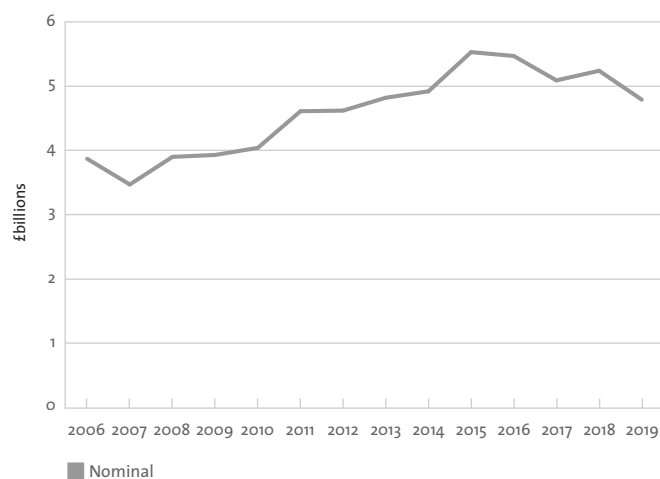


Figure 12. International insurers – gross premium



Banking

Figure 13. Guernsey bank assets

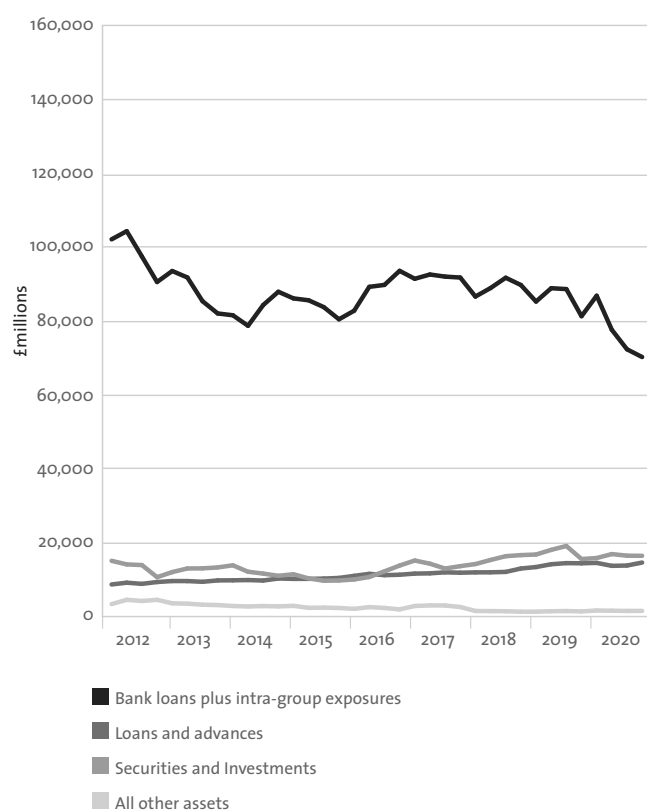
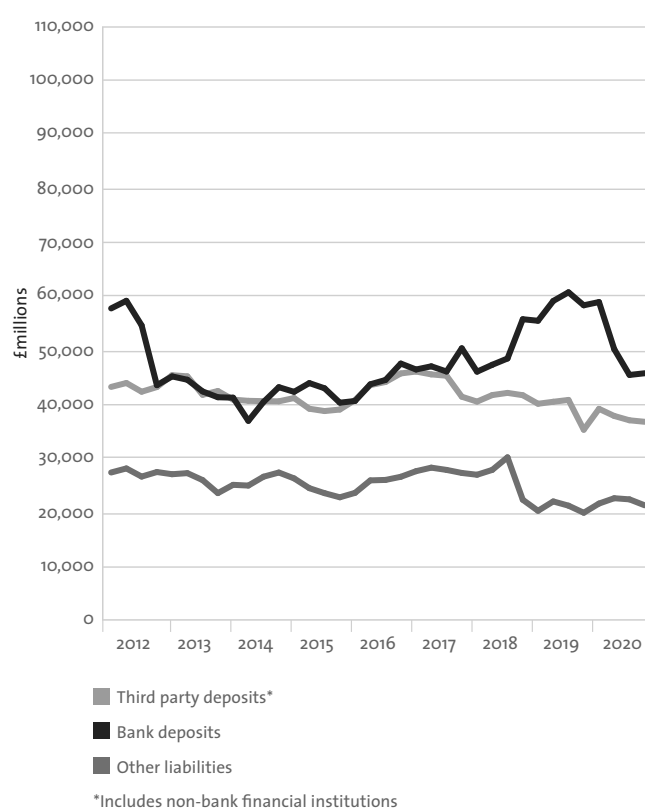


Figure 14. Guernsey bank liabilities



Authorisations and Innovation

Figure 15. Total applications by volume and type – 2019 to 2020 comparison

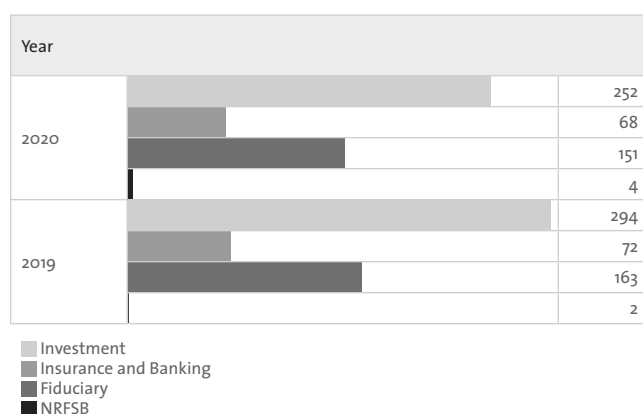


Figure 16. Online submissions 1 January to 31 December 2020

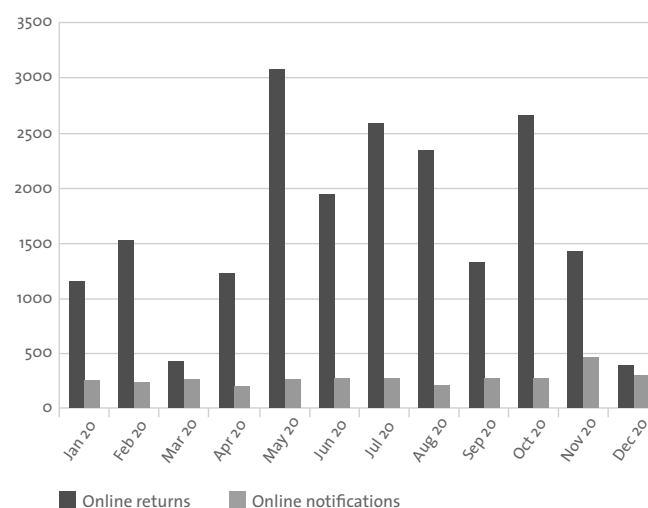
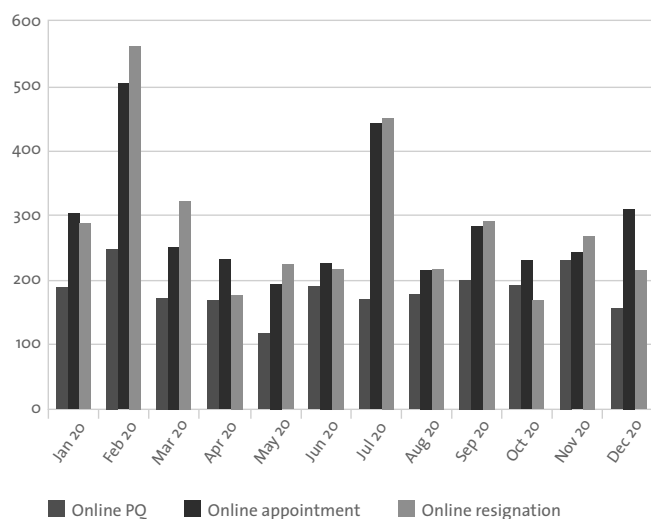


Figure 17. Online Personal Questionnaire portal submission 1 January to 31 December 2020



Finance and Operations

Table 1. Expenditure by functional area

	2020	2019
	£'000	£'000
Enforcement	2,323	2,492
Authorisations	898	891
Risk	701	606
Supervisory and Policy divisions	5,072	5,321
Internal operational support functions	1,145	1,224
Overheads incl. Premises, IT expenses, depreciation and three-year business plan	4,331	3,829
Total	14,470	14,363

Table 2. Salaries and related costs

	2020	2019
	£'000	£'000
Salaries	7,704	7,476
Pension costs	807	808
Social insurance, permanent health and medical insurance	871	889
Recruitment and training	326	455
Total	9,708	9,628

Table 3. Number of staff by total remuneration

Remuneration	2020	2019
£0 – £39,999 p.a.	43	43
£40,000 – £79,999 p.a.	53	54
£80,000 – £119,999 p.a.	15	15
£120,000 – £159,999 p.a.	6	6
£160,000 p.a. and above	3	2
Total number of staff	120	120
Full time equivalent	112.4	111.8
Comprising:		
Permanent staff	114	113
Fixed-term staff	6	7
	120	120
FTE vacancies at year-end	5	6

Table 4. Legal and professional fees

	2020	2019
	£'000	£'000
Legal fees – enforcement	273	459
Legal fees – judicial and SDM process	841	382
Legal fees – advisory	11	26
Professional fees	134	242
Internal audit	38	37
Total	1,298	1,146



Finance and Operations *(continued)*

Table 5. Commissioners' fees

	2020	2019
	£	£
Cees Schrauwens	45,000	64,500
Robert Moore	27,000	27,000
Lord Flight	2,917	35,000
Richard Hobbs	35,000	35,000
Simon Howitt	27,000	27,000
Wendy Dorey	27,000	27,000
John Aspden	35,000	35,000
Philip Middleton	35,000	35,000
Baroness Couttie	35,000	-

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Functions, Structure and Corporate Governance and other Control Systems of the Commission

Functions of the Commission

The Financial Services Commission (Bailiwick of Guernsey) Law, 1987 as amended (the Commission Law) established the Commission with both general and statutory functions. The general functions include the taking of “such steps as the Commission considers necessary or expedient for the effective supervision of finance business in the Bailiwick”. The statutory functions include those prescribed under or arising pursuant to the following regulatory laws:-

- the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended;
- the Banking Supervision (Bailiwick of Guernsey) Law, 1994 as amended;
- the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999;
- the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 as amended;
- the Insurance Business (Bailiwick of Guernsey) Law, 2002 as amended;
- the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 as amended; and
- the Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) Law, 2008.

Relationship with the States

The Policy and Resources Committee of the States of Guernsey is responsible for financial matters including establishing the policy framework for financial regulation and the government’s relationship with the Commission. The Commission Law states that the Commission shall issue its audited financial statements and the two reports, referred to later in this appendix, annually to the Policy and Resources Committee.

The Commission maintains regular dialogue with the States. During 2020, the Commission continued to engage with the Policy and Resources Committee, on matters of importance to the States and the Commission.

Outside of formal meetings and presentations, the Commissioners and Director General maintain regular contact with senior States Members.

The Commissioners

The activities of the Commission’s executive are overseen by the Commissioners. The Commission Law provides that the Commissioners shall consist of a minimum of five members who are elected by the States from persons nominated by the Policy and Resources Committee and appearing to it to be persons having knowledge, qualifications or experience appropriate to the development and supervision of finance business in the Bailiwick. The Chairman is appointed for a period of three years from amongst the Commissioners and is elected by the States following nomination by the Policy and Resources Committee. The Vice-Chairman is appointed for a period of one year by the Commissioners. A Commissioner is appointed for a period not exceeding three years. A member whose term of office has come to an end is eligible for re-election. The Chairman and Vice-Chairman are also eligible for re-election to their positions. Commissioners must retire on reaching the age of 75 years.

The Commissioners during 2020 were Drs. Cees Schrauwers, The Lord Flight, Richard Hobbs, Bob Moore, Simon Howitt, Wendy Dorey, John Aspden, Philip Middleton and Baroness Couttie. A brief résumé for each Commissioner is provided on pages 53 and 54 of this report. Three Commissioners reside in Guernsey, with the remainder living in the UK.

There were 10 meetings of the Commissioners in 2020. The attendance was as follows: Drs. Cees Schrauwers 10, Howard Flight (retired 31 January 2020) 1, Richard Hobbs 10, Bob Moore 10, Simon Howitt 10, Wendy Dorey 10, John Aspden 10, Philip Middleton 10 and Baroness Couttie 10. Prior to each meeting, Commissioners are provided, save in exceptional circumstances, with a full information pack to support the meeting’s agenda.

An induction programme is in place for new Commissioners. The Commissioners periodically consider their roles, responsibilities and accountabilities. In addition, each year Commissioners undertake a board effectiveness review. Every three years, the review is undertaken by an external party with experience in this area.

The Commission Law also makes provision for the appointment of such officers and servants as are necessary for carrying out the Commission’s functions and for the most senior officer to have the title of Director General.

Delegation of functions to executive staff

The Commissioners have delegated certain of their statutory functions to the executive staff of the Commission. These statutory functions are exercised by the executives both jointly and individually. All statutory functions of the Commission may be delegated to the executives except:-

- the power of the Commissioners to delegate functions;
- the Commissioners' duty to make an annual report on the Commission's activities during the previous year to the Policy and Resources Committee;
- any statutory functions which:-
 - (i) require the Commissioners to consider representations concerning a decision which they propose to take; or
 - (ii) empower the Commission to cancel, revoke, suspend or withdraw a licence, consent, registration, permission or authorisation (except where the cancellation, revocation, suspension or withdrawal is done with the consent of the person who is, or who is acting on behalf of, the holder of the licence, consent, registration, permission or authorisation); or
 - (iii) empower the Commission to petition for the winding-up of a body corporate.

Annual report and financial statements

The Commission must, as soon as possible in each year, make a report to the Policy and Resources Committee on its activities during the preceding year. The President of the Committee shall, as soon as possible, submit that report for consideration by the States.

The Commission Law also provides that the Commission shall:-

- (a) keep proper accounts and proper records in relation to those accounts; and
- (b) prepare, in respect of each year, a statement of accounts giving a true and fair view of the state of affairs of the Commission;

and that the accounts of the Commission shall be:-

- (a) audited by auditors appointed by the States; and
- (b) laid before the States.

The Commission includes a copy of its audited financial statements in the annual report to the Policy and Resources Committee, referred to above.

Report on internal control and corporate governance

Under the Commission Law, the Commission must also review in each year, by the appointment of appropriately qualified and independent professional persons or otherwise:-

- (a) the adequacy and application of the Commission's systems of internal control;
- (b) the selection and application of the Commission's accounting policies and accounting procedures;
- (c) the effective, efficient and economical management of the Commission's assets and resources; and
- (d) the Commission's compliance with such generally accepted principles of good corporate governance as it is reasonable to regard as being applicable to the Commission.

The Commissioners are required to satisfy themselves in connection with the conclusions of each review and provide the Policy and Resources Committee with confirmation in the annual report on the matters covered by it.

The Commissioners are responsible for overseeing the Commission's corporate governance regime and for monitoring the effectiveness of management's systems of internal control. These systems are subject to regular review by management and address the risks to which the Commission is exposed. The Commission has an ongoing process for identifying, evaluating and managing operational risks (including regulatory and financial risks). Although not required to comply with the UK Corporate Governance Code, the Commission has regard to the guidance contained therein and complies wherever valid to do so.

Two Commissioners, Drs. Cees Schraauwers and the Lord Flight, have served as Commissioners for longer than nine years. The Lord Flight retired as a Commissioner on 31 January 2020 and Drs Schraauwers will retire on 30 December 2021.

The Commission has robust policies and procedures in place to ensure that any conflicts of interest involving Commissioners or staff are managed effectively.

In accordance with the Commission Law, the Commissioners have reviewed the Commission's approach to risk management policies and processes. The report required by the law on internal control and corporate governance has been provided by the Commission to the Policy and Resources Committee.

Functions, Structure and Corporate Governance and other Control Systems of the Commission *(continued)*

Audit Committee

The Commission's Audit Committee (now retitled Audit and Risk Committee) comprised Simon Howitt, Wendy Dorey and John Aspden and was chaired by Richard Hobbs (John Aspden was elected Chairman from 1 July 2020 and Baroness Couttie was elected as a member with effect from 1 June 2020). The Committee covered oversight of the management of risk, reviewed corporate governance and the systems of internal control and reported routinely to meetings of the Commissioners as a whole. Meetings are attended by the Director General, the Director of Risk and Operations and the Financial Controller.

The Committee met three times in 2020. The attendance of the individual members at these meetings was as follows: Richard Hobbs two, Simon Howitt three, Wendy Dorey three, John Aspden two and Baroness Couttie one. The Audit Committee has oversight for non-regulatory risk; regulatory risk is reviewed by the Board as a whole.

Remuneration Committee

The Remuneration Committee, which comprised Bob Moore (Chairman), Richard Hobbs, Wendy Dorey and Philip Middleton, is mandated to advise and assist the Commission in fulfilling appropriate governance in respect of remuneration policies, practices and structure.

The Committee has specific responsibility for proposing to the Board (1) the remuneration and reward of the senior executive and (2) the general policy for staff remuneration and benefits to ensure that all of our people are fairly rewarded for their individual contributions to the Commission. (The Policy and Resources Committee determines the level of Commissioners' fees).

Meetings are attended by the Director General and the Commission Secretary. The Committee met on three occasions in 2020 with all members attending the meetings. The Commission's Chairman attended two of the meetings.

Nominations Committee

The Nominations Committee comprises Bob Moore (Chairman), Richard Hobbs, Wendy Dorey and Philip Middleton. The Committee is responsible for advising the Board on succession planning for Commissioners and the Director General and on appointments to the other Committees.

Meetings are attended by the Director General and the Commission Secretary. The Committee met on three occasions in 2020 with all members attending the meetings. The Commission's Chairman attended two of the meetings.

Investment Committee

The Investment Committee, which comprised Philip Middleton (Chairman), Simon Howitt, Richard Hobbs and Baroness Couttie is mandated to advise the Commission in respect of its investment approach. Meetings are attended by the Director General, the Director of Risk and Operations and the Financial Controller. The Committee met once during 2020 and all members attended.

Review systems

The Commission has retained specialist internal and external expertise to monitor the Commission's non-regulatory internal audit standards to ensure that the Commission is up-to-date with current expectations.

During 2020, the Commission appointed an external party to undertake internal audits in the following areas:-

- external audit and financial statements;
- payroll policies and procedures; and
- HR data protection compliance.

Other planned audits were delayed due to the pandemic.

The Commission also used an external party to facilitate a review of its IT systems. Internal assurance reviews were undertaken on our use of PRISM and the development of our risk-based supervisory approach.

The outcomes of the audits have been taken forward to the satisfaction of the Audit and Risk Committee and Commissioners.

The corporate governance standards of the Commission are regularly reviewed by Commissioners and it is satisfied that the Commission meets expectations in connection with internal audit and corporate governance.

During 2017, an assessment was undertaken of the Bailiwick's regulatory regime against current international standards. This was undertaken by Mr Ian Tower, a former IMF assessor who was contracted by the Commission. The principal conclusion was that the main areas for improvement are already being progressed through the Revision of Laws project which is anticipated to be concluded in 2020.

During 2018, an assessment was conducted by the International Association of Insurance Supervisors (IAIS) of the Bailiwick's insurance regulatory regime against current international standards. The results, published in June 2019, demonstrated a high degree of compliance.

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THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

**POLICY & RESOURCES COMMITTEE, COMMITTEE FOR ECONOMIC DEVELOPMENT
AND STATES' TRADING SUPERVISORY BOARD**

GUERNSEY ELECTRICITY – INTERIM ARRANGEMENTS FOR TARIFF REGULATION

The States are asked to decide:-

Whether, after consideration of the policy letter 'Guernsey Electricity - Regulation' dated 18th May, 2021, they are of the opinion:-

1. To agree that the Guernsey Competition & Regulatory Authority's current responsibilities for determining the tariffs and prices charged by Guernsey Electricity Ltd for the supply of electricity should be transferred to the States' of Guernsey, acting by and through the States' Trading Supervisory Board;
2. To issue a States Direction to the Guernsey Competition & Regulatory Authority that, in undertaking its responsibilities under the Electricity Law, 2001, it should ensure its actions and decisions are consistent with and support the implementation of the States' extant Energy Policy and Electricity Strategy and, in particular, reflect the Energy Policy's focus on: establishing targeted competition to support establishing on-island (including off-shore) renewable energy; and, facilitating a competitive energy supply market using shared critical infrastructure;
3. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.

The above Propositions have been submitted to Her 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, COMMITTEE *FOR* ECONOMIC DEVELOPMENT
AND STATES' TRADING SUPERVISORY BOARD**

GUERNSEY ELECTRICITY – INTERIM ARRANGEMENTS FOR TARIFF REGULATION

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

18th May, 2021

Dear Sir

1 Executive Summary

- 1.1 The Energy Policy¹ adopted by the States in 2020 established a policy framework for the effective management of Guernsey's energy needs over the period 2020-2050. It set out high-level policy direction to enable the States to manage the global transition to decarbonisation in the energy market at a local level. This policy letter proposes some interim arrangements in relation to both Guernsey Electricity's (GEL) tariffs and the licencing of the Island's electricity sector to enable that transition whilst the States develops and puts in place some of the detailed strategies and policies that are required to support the delivery of its Energy Policy.
- 1.2 The Energy Policy established emissions reduction targets for Guernsey which it anticipated would be achieved partially by facilitating targeted competition within the electricity market to potentially enable additional and local renewable or low carbon energy operators to serve the market. Two of the key work streams identified as being necessary to support that were as follows: firstly, the introduction of a licensing framework to support establishing on-island renewable energy generation; and, secondly, ensuring that cost-reflective tariff systems are put in place across all forms of energy supplies in order to provide greater clarity for investment by energy suppliers and greater transparency for consumers when choosing what to buy.

¹ Article 8 of Billet d'Etat XI of 2020: States of Guernsey Energy Policy 2020-2050

- 1.3 The Energy Policy envisages that Guernsey Electricity (GEL) will play a fundamental role in supporting the energy market transition, in particular by: continuing to invest in a conveyance and supply network that can sustain the forecast increase in electricity consumption; and, the development of a second subsea cable direct from Guernsey to France which has been agreed in principle by the States². However, decisions on such investments need to be underpinned by clarity in the future regulatory environment under which GEL will operate.
- 1.4 Historically, GEL has been subject to sector specific economic regulation by the Guernsey Competition and Regulatory Authority (GCRA). This policy letter sets out the regulatory vacuum that has existed in the electricity market following a review of that historic regulation which began in 2012. As a result, there has been no comprehensive review of GEL's tariffs since that time, even though it has invested over £115m in Guernsey's electricity infrastructure over that period. The regulatory uncertainty is likely to continue until the States puts in place the aforementioned new system of licensing for the electricity market. It is not expected that work on that system (and any new legislation that may be required) will be completed until at least 2023. However, GEL now needs to start generating additional revenues to enable it to continue investing in the electricity infrastructure at the level required to support the energy transition and the Island's new Energy Policy.
- 1.5 This policy letter also sets out a case for both a restructuring and rebalancing of GEL's current tariffs as a high priority to support the objectives of the Energy Policy. These exercises will be undertaken on a revenue neutral basis for GEL.
- 1.6 A restructuring process will ensure its tariffs properly reflect the fixed and variable costs incurred by the Company in accordance with the Energy Policy. Its current tariffs are distorting and misleading the market place by overstating the unit costs of the electricity it supplies and understating the fixed costs. This must be addressed before the electricity generation market is opened up to more competition.
- 1.7 A rebalancing exercise will enable GEL to offer a range of "innovative" and more flexible tariffs that take advantage of the times when cheaper imported renewable electricity is available. Not only should this drive behavioural change amongst consumers in support of the Energy Policy, but it will also benefit the community by reducing the average unit cost of electricity consumed.

² Article 8 of Billet d'Etat XI of 2020 - States of Guernsey Energy Policy 2020-2050: Resolution 8: To approve the cable strategy set out in 8.17 and agree in principle the need for a second interconnector, subject to the consideration of a full business case; and to direct the States Trading Supervisory Board via Guernsey Electricity Limited to revert to the States of Deliberation with the full business case.

- 1.8 The Policy and Resources Committee (P&RC), the Committee *for* Economic Development and the States' Trading Supervisory Board (STSB) (hereinafter referred to as the joint Committees) believe that a pragmatic and proportionate solution is required on an interim basis until the new licensing framework is in place. This must enable a comprehensive review of GEL's tariffs to be undertaken in support of the Energy Policy whilst allowing time for policy proposals and legislation to be brought forward to establish a new licensing framework for electricity market. The joint Committees do not believe that reverting to the historic system of regulation should be an interim option, as this would necessarily involve spending time addressing the concerns that were previously identified by the aforementioned review with that system, when the focus should be on looking forward to the development of the new licensing system.
- 1.9 Accordingly, this policy letter includes proposals for the approval of GEL's tariffs by the States, acting by and through the STSB, on an interim basis and pending the subsequent development and agreement by the States of a new licensing framework for the electricity market. It also includes proposals for States Directions to be issued to the GCRA to ensure that the current regulation of the electricity market is consistent with the Energy Policy following the end of GEL's licence exclusivity in the supply and conveyance markets on 31st January, 2022.

2 Background

2.1 Legal and Regulatory Framework

- 2.1.1 GEL is a commercialised utility established as a States Trading Company under the provisions of the States Trading Companies Law, 2001. The States' Trading Supervisory Board ("STSB") acts as shareholder in the Company on behalf of the States of Deliberation.
- 2.1.2 Under the provisions of both the Regulation of Utilities Law, 2001, and the Electricity Law, 2001, GEL has been subject to economic regulation by the GCRA. The GCRA exercises its duties in respect of GEL with reference to: firstly, the same General Duties³ that are set out for both the Authority itself and the States in the Regulation of Utilities Law, 2001; and, secondly, in accordance with any Directions that the States may give to the Authority, the provision and scope for which are set out under that Law⁴.
- 2.1.3 The electricity market in Guernsey is regulated by the GCRA in three distinct areas: generation; conveyance; and, supply. A licence is required in each area unless the scope of the activity concerned falls within the terms of a licence

³ Section 2 – General Duties - The Regulation of Utilities (Bailiwick of Guernsey) Law, 2001;

⁴ Section 3 – States Directions - The Regulation of Utilities (Bailiwick of Guernsey) Law, 2001.

exemption established by the GCRA. GEL is licensed in each area and, in the case of the supply and conveyance markets, has protected licence exclusivity under Direction from the States⁵ at least until 31st January 2022 (albeit that exemptions from the requirement to hold a supply licence are available to other operators). GEL does not have licence exclusivity in the generation markets.

2.1.4 The legal and regulatory framework set out above includes the following provisions in respect of pricing and tariffs:

- Under section 2 of the Regulation of Utilities Law, 2001, **both** the States and the GCRA have a duty to promote and balance objectives that include: firstly, protecting the interests of consumers and other users in the Bailiwick in respect of prices charged for utility services; and, secondly, securing, so far as practicable, the provision of utility services that satisfy all reasonable demands for such services within the Bailiwick;
- Under section 12 of the Electricity Law, 2001 (and subject to some provisos set out within that Law) the prices charged for electricity by the holder of an electricity supply licence have to be in accordance with tariffs approved beforehand by the GCRA; and,
- The licence issued to GEL by the GCRA includes provision for the Authority to determine the maximum level of charges that GEL may apply and, in certain circumstances, provides for the Authority to require GEL to change the charges that it is levying. Section 5 of the Electricity Law, 2001, enables the GCRA to include such conditions in the licences that it issues where the licensee has a dominant position in the market concerned.

GEL is currently the only energy supplier in Guernsey's gas, oil or electricity market whose tariffs are subject to the specific prior approval of the GCRA. Whilst a licence to generate electricity has previously been granted to the International Energy Group⁶ (IEG), it is not required to hold an electricity supply licence as a result of the aforementioned licensing exemptions established by the GCRA and, as such, its tariffs do not have to be approved by the Authority.

2.1.5 It should be noted that the summary set out above only includes legislation and provisions that are specific to the electricity sector. In addition, and like its competitors, GEL must also comply with the "general" competition legislation⁷ that was separately introduced by the States several years after the electricity sector laws. The competition legislation includes the prohibition of practices that

⁵ Resolution 11 of Article XIV of Billet d'Etat XV of 2011 – Review of Utility Regulation

⁶ Now the Islands Energy Group

⁷ The Competition (Guernsey) Ordinance 2012

are either an abuse of a dominant market position and/or are anti-competitive, including those involving the imposing or fixing of prices.

2.2 Review of Regulation

2.2.1 In 2015, the States considered a policy letter⁸ jointly submitted by the former Treasury & Resources (T&R) and Commerce & Employment (C&E) Departments (the Departments) that included proposals to exempt both GEL and Guernsey Post (GPL) from the requirement to be licensed by the GCRA. This followed a review process initiated by both Departments in 2012. One of the principal reasons for that review was to ensure that the oversight arrangements represented value for public money. The review sought to consider the overall impact, cost, effectiveness and added value derived from the current system and whether a model of 'lighter touch' regulation was possible, taking into account that both companies were owned by the States of Guernsey.

2.2.2 Having considered the matter, the States did resolve to exempt both GEL and GPL from the requirement to be licensed by the GCRA. In tandem with that decision, it was agreed that the former T&R should expand and strengthen its role and capability as sole shareholder in both companies. It would take a more proactive role in exercising its responsibilities than had previously been the case through, for example, the establishment of clear shareholder objectives for the companies and the monitoring of performance against industry benchmarks and quality standards. Importantly, it was also intended that T&R would be responsible for the approval of tariffs in future, rather than the GCRA. Those decisions were reflected in the subsequent decision of the States to establish the STSB as a new Committee of the States in 2016, which included within its mandate responsibility for acting as shareholder in GEL and GPL.

2.2.3 In 2016, the States also approved follow-up proposals⁹ from the former C&E setting out the detailed legislative amendments and consequential matters that would be necessary to implement these changes in the regulatory arrangements for GEL and GPL. Whilst work on the drafting of that legislation had reached an advanced stage by mid-2017, a number of factors meant that it was not finalised. These included:

- A decision by the GCRA in 2017 to approve an application from IEG for an electricity generation licence. The proposals approved by the States in 2015 and 2016 had not anticipated the existence of a second licensee in the electricity generation sector, meaning that additional drafting instructions would be required from the States before the legislation could be finalised;

⁸ Article 3 of Billet d'Etat VI of 2015: Alternative Framework for the Oversight of GEL and GPL

⁹ Article 17 of Billet d'Etat III of 2016: Legislative Changes Relating to the Future Oversight of GEL & GPL

- A need to review the market and regulatory structures within the electricity sector as plans evolved in 2018 for the extension of the UK's membership of the World Trade Organisation (WTO) to the Bailiwick. There was a risk that exempting GEL from the requirement to be licensed, whilst leaving a licensing regime in place for the rest of the market, would not be compliant with the obligations that WTO membership would bring; and,
- The work that was then being initiated by the Committee *for the* Environment & Infrastructure (CfE&I) for a new Energy Policy. At an early stage in that process, it was evident that the emerging policy might need some form of alternative licensing within the local energy market to support the delivery of the new policy's objectives.

2.2.4 As a result of the above, the resolutions agreed by the States in 2015/16 were never implemented. However, the resolutions were not rescinded until June, 2020, when the States agreed a new Energy Policy. That policy sets out a pathway to agreeing a new licensing framework for the electricity and wider energy sectors, albeit the details remain to be determined (see section 2.3 below).

2.2.5 The unfortunate consequence of all the above is that there has been a regulatory vacuum since 2012 for all key stakeholders, most especially GEL and the GCRA. This has inhibited and/or delayed a number of key operational and strategic decisions that need to be made by GEL, most notably in reviewing its tariff structures. There is a pressing need to ensure its tariffs are aligned with both the States' new Energy Policy and the energy market transition that is central to it so that the Island is well placed to decarbonise by taking full advantage of technological advances, particularly in renewable generation, electric vehicles and energy storage.

2.3 Energy Policy

2.3.1 In 2020, the States considered a policy letter from the CfE&I on a new Energy Policy. One of this policy letter's main conclusions was that a licensing framework in the energy sector would be required to support the development of on-island (including offshore) renewables. The policy letter did not specify either what that licensing framework or who the regulator should be, albeit it did stress that the licensing framework should be appropriate, proportionate and cost-effective.

2.3.2 Having considered the policy letter, the States resolved¹⁰, inter alia, to direct the Committee *for* Economic Development (CfED) to undertake a technical consultation on a licensing framework for targeted competition to support

¹⁰ Resolution 6 of Article 8 of Billet d'Etat XI of 2020

establishing on-island renewable energy and to report back to the States by the end of 2021. It was acknowledged that this work would supersede the States' previous resolutions in 2015 and 2016 in respect of the future regulation of GEL. Accordingly, the States also resolved¹¹ to rescind those previous resolutions insofar only as they related to GEL (noting that the resolutions in respect of GPL remain in place), thereby enabling the CfED to carry out work on a new licensing framework afresh and without the outcome being partially pre-determined.

- 2.3.3 The policy letter acknowledged that provision would need to be made to ensure that GEL could continue to maintain electricity supplies whilst awaiting a new licensing framework and recognised that the CfED might need to bring proposals to the States to enable this to happen if it was not possible to issue licences under the new licensing framework in sufficient time. It also acknowledged that any new market structures would need to be compliant with the Bailiwick's future trading relationships (such as the WTO).
- 2.3.4 The timelines envisaged in the Energy Policy were established prior to the onset of the COVID-19 pandemic and, whilst it had originally anticipated that the CfED would be in a position to report back to the States with its proposals for a new licensing framework by the end of 2021, this is no longer realistic. The Policy also anticipated that the new framework would require the introduction of new or amended legislation and, whilst it is an identified priority of the new Government Work Programme, it is unlikely to be complete before the end of 2023.
- 2.3.5 This work stream provides an important opportunity to examine whether the legislation for the electricity market can be rationalised, bearing in mind there are now three different regulation regimes that are potentially in scope, as follows:
- Firstly, the current sector specific regulation of GEL (and the wider market) by the GCRA under the aforementioned 2001 Electricity Law;
 - Secondly, the Competition Ordinance introduced by the States in 2012, which now precludes pricing practices deemed to be anti-competitive or an abuse of a dominant position; and,
 - Thirdly, the new licensing framework for the electricity market envisaged under the Energy Policy.

For example, given the stated focus in the Energy Policy on ensuring that regulation of the market is appropriate, proportionate and cost-effective, work on the development of a new licensing framework could include evaluating how the newer competition legislation might be used or modified to support the delivery of the Policy's objectives and whether that could also provide an alternative (partial or otherwise) to the current and older model of regulation

¹¹ Resolutions 17 & 18 of Article 8 of Billet d'Etat XI of 2020

under the Electricity Law.

- 2.3.6 This policy letter is concerned with the regulation of GEL's tariffs and, as such, it should be noted that the Energy Policy recognised some issues of fundamental importance in this area. The Policy stressed the importance of ensuring that a cost reflective tariff system must be put in place across all forms of energy supplies. Tariffs would need to be consistent and transparent in areas including: the costs of energy commodities themselves; the costs of the arrangements put in place for maintaining adequate security of energy supplies for the Island; and, customer and other services. The Policy's stated outcome was that costs must be properly reflected in tariffs and must be recoverable by energy providers. This would ensure greater clarity for investment by both existing suppliers and new market entrants, whilst providing customers with transparency in respect of what they choose to pay for.
- 2.3.7 In GEL's case, the issue of cost reflectivity in its tariffs will become of even greater importance as the electricity market is developed to encourage additional competition in local renewable generation in accordance with the Energy Policy. GEL's cost base is split almost 50:50 between fixed and variable costs, but this is not reflected in its tariff structures, where approximately 10% of its revenues are generated through fixed charges and 90% through its variable charges. This means that the unit costs of electricity supplied by GEL compare poorly with the unit costs of alternative suppliers of renewable generation that might be available now or in the future, as fixed costs are being recovered through the variable charges. Reform of its tariff structures is therefore essential to ensure that the Company can compete on a level playing field in the future and must be a pre-requisite to the introduction of additional competition in the market.
- 2.3.8 Therefore, in agreeing the Energy Policy, the States also resolved¹² to direct the CfED to undertake a review of structures for cost reflective tariffs (including fixed and variable costs) and to bring proposals to the States of Deliberation by the end of 2020 (noting again that this timeline was established prior to the full onset of the COVID-19 pandemic). The Policy's intended outcome of this work is that there should be an open and level playing field for competition in the electricity generation and wider energy markets and that prospective investors in renewable generation should be able to fully understand all the associated connection and power purchase arrangements.

3 Guernsey Electricity – Tariffs

- 3.1 GEL supports the commitment within the Energy Policy to establish a new licensing arrangement that will enable the development of a market structure that is fully aligned to the Policy's objectives. In conjunction with that work, it

¹² Resolution 12 of Article 8 of Billet d'Etat XI of 2020

also believes it remains critical to establish how costs should be recovered through tariffs that are transparent and properly reflective of those costs.

3.2 From GEL's perspective, the need for certainty about its future regulatory environment is of critical importance. Without that, it cannot plan effectively the long-term investment programme in the Island's electricity infrastructure that is necessary to support the energy market transition and to fulfil the role that the Energy Policy envisages for the Company in supporting and delivering its objectives.

3.3 The immediate importance of these work streams to the Company is best illustrated by the very difficult challenges GEL is facing today as a result of the regulatory vacuum that has existed since the aforementioned review of regulation that started in 2012 (see section 2.2 above) and which will continue until new licensing arrangements are agreed by the States. These challenges are discussed in more detail in sections 3.4 and 3.5 below.

3.4 Financial Performance and Investment Planning

3.4.1 The regulatory vacuum has meant that, since 2012, GEL has operated in an environment where it has had no long-term mechanisms in place that allow it to control and plan its future revenues and, as a result, the business has been unable to build up financial reserves in a consistent manner to support its investment planning.

3.4.2 The last full regulatory review of GEL's prices was undertaken by the GCRA in 2011. Since then, there has been no full and fundamental review of the Company's tariffs, with the exception of:

- A tariff increase in 2012 to address only the increased costs being incurred by GEL in on-island generation arising from the failure of the sub-sea cable between Guernsey and Jersey (GJ1) that year;
- Two separate and temporary "cost pass throughs" (CPTs) enabling GEL to recover uncontrollable costs relating to movements in foreign exchange rates and commodity prices between 2017 and 2020. The first of these was for 6.8% with effect from 1st July 2019 and the second was for 4.8% with effect from 1st September 2020. These apply to tariffs across the board, but are time limited and will expire in each case after three years.

Beyond the above, GEL has been unable to effectively adjust its tariffs and revenues to take account of any other changes in the underlying costs of the business, inflation or other. Since 2011, this has included a capital investment programme of over £115m, including: the replacement of the GJ1 cable; investments in additional importation capacity to the Channel Islands through

the Channel Islands Electricity Grid's N1 and N3 cable projects; and, the investment in two new medium speed diesel generators, enabling it to continue meeting peak demand requirements and its obligations under the N-2¹³ security of supply policies previously agreed by the States.

3.4.3 GEL currently has borrowings of £44m. This is made up of £33m in commercial borrowings and an £11m loan from the States of Guernsey bond (primarily used for the replacement of the GJ1 cable). The annualised cost of servicing this debt is circa £2.6m and this has the effect of reducing funds that would otherwise be available for reinvesting in the business by 25%. Without changes to its tariffs, the Company does not believe any further increase in borrowing is sustainable. Had GEL been able to adjust its tariffs in order to recover the agreed level of return on its regulated asset base previously determined by the GCRA, its cash position would currently be £30m better than it is today.

3.4.4 Despite a range of cost-cutting and efficiency measures introduced by the Company, GEL's financial performance is below the level required to continue funding the necessary investment in the Island's electricity infrastructure to support the energy market transition. The position has been exacerbated by the need to bring forward the replacement of the GJ1 cable by approximately 10 years following its failure in 2018. The Company's long term investment programme anticipates expenditure of £12½m per annum, but in the last financial year, it was only able to reinvest £4.6m¹⁴. The agreement and implementation of a forward-looking tariff model is now more pressing than ever to support a capital programme that can be properly funded.

3.5 Tariff Structures and Cost Reflectivity

3.5.1 Of equal importance for the Island's new Energy Policy is to ensure that GEL's current tariffs are both "rebalanced" and "restructured".

3.5.2 Guernsey Electricity's tariff structure has not significantly changed since 1993, when the Island was entirely dependent on local oil-fired generation at the power station and when hourly generation costs were relatively static. Since then, the Island has moved to a reliance on renewable electricity imported from the European grid, which now satisfies more than 90% of annual demand. Under the Power Purchase Agreements that are now in place for those imports, GEL has access to renewable electricity from Europe at costs that can vary depending on the time of day, the day of the week and the time of the year.

¹³ The N-2 criterion requires GEL to ensure that it has sufficient generating plant to meet maximum demand ("N") with its two largest sources of supply (excluding the subsea cable) simultaneously unavailable

¹⁴ Figure of £4.6m is derived on a pro-rata basis from expenditure of £7m for the 18 month period ending 30th September, 2020.

- 3.5.3 There is a substantial opportunity to “rebalance” the company’s tariffs so that they are aligned with the variable costs of imported renewable electricity. This would enable GEL to offer a range of “innovative” and more flexible tariffs that take advantage of the times when cheaper imported renewable electricity is available in order to drive behavioural change amongst consumers in support of the Energy Policy and to drive forward the energy market transition in Guernsey. For example, tariffs could be offered to encourage the use of electric vehicles or to switch to renewable or lower carbon sources of energy, particularly in the decarbonisation of heating. Additionally, lower weekend tariffs might be offered to encourage customers to switch activities that they might previously have carried out on weekdays after work (typically a peak period) to weekends. The alignment of tariffs with the costs of imported electricity will also enable GEL to encourage usage at times when there is a greater level of spare capacity on the subsea cable, thereby reducing the need to run the on-island power station.
- 3.5.4 There is also a pressing requirement to undertake a “restructuring” of GEL’s current tariffs to ensure that they properly reflect the Company’s underlying cost base. The Energy Policy sets out the importance of ensuring tariffs across the energy market are properly reflective of costs (see section 2.3 above) and, as a result, directed the CfED to report back to the States with proposals to address this matter across the energy market. However, in GEL’s case, there is an immediate need to address this matter, as its current tariff structures are distorting and misleading the market place.
- 3.5.5 GEL’s tariffs do not currently reflect the fixed and variable cost structures of generating, supplying and conveying electricity. As set out earlier in this policy letter, its cost base is split approximately 50:50 between fixed and variable costs. However, only circa 10% of its revenues are generated through fixed charges and 90% through its variable charges. Within the context of the new Energy Policy, this has two important consequences.
- 3.5.6 Firstly, GEL’s fixed cost base is primarily determined by the infrastructure it needs to have in place to satisfy the Island’s peak maximum demand (typically early on a cold winter’s evening). With the energy transition, that peak demand will increase as more customers switch to electric heating, electric vehicles and so forth. As a consequence, the capacity of the network will have to be increased in order to meet that maximum demand, even if that capacity is not being used all of the time. The energy transition will see the continuing emergence of new technologies, such as solar PV, wind and battery storage, which offer consumers the opportunity to self-generate and store energy for their own use. However, whilst this will lead to a reduction in the consumption of electricity sourced from the grid (ie GEL), it will not result in a corresponding sized decrease in maximum demand. As 90% of GEL’s revenues are generated through its variable charges, the fall in consumption will leave GEL with insufficient income to maintain the secure and resilient network on which the Island will be increasingly dependent

and which is required to meet maximum demand.

- 3.5.7 The second consequence of the current tariff structures is that the variable charge does not properly reflect the cost of each unit of electricity being consumed and, indeed, substantially overstates that cost. By way of illustration, the standard domestic tariff unit charge of electricity¹⁵ levied by GEL is 19.78 pence per kilowatt hour (kWh). This compares to an average cost of generation of c7 pence per kWh. If one takes into account GEL's two part tariffs, which have a higher daytime normal rate, then the differential is even higher. It is essential that this imbalance is corrected at as early an opportunity as possible. The current tariffs are sending misleading signals to the market place and, specifically, to customers thinking about investing in renewable and storage technologies, by overstating the actual unit costs of electricity that GEL is providing. For example, a customer thinking about investing in solar panels today might base that decision on payback calculations based on offsetting tariffs that are currently overstating the real unit costs of electricity that GEL can provide and without fully understanding the fixed costs of providing and maintaining the electricity infrastructure on which they will continue to rely when their own renewable electricity supplies are either unavailable or insufficient for their needs.
- 3.5.8 These are real issues that are already affecting Guernsey's electricity market today. They underline the importance of providing complete transparency to all electricity customers of both the fixed costs of providing reliable and secure electricity for the Island and the true variable costs of generating that electricity from the different available resources. GEL does have the ability under the aforementioned Electricity Law to enter into "bespoke" commercial agreements with customers that sit outside of its published and regulated tariffs. It has started introducing such arrangements with its largest commercial customers to start mitigating the risks that the current tariff structures are creating. These agreements represent a positive step towards a fairer pricing system because it means that those larger customers are making an appropriate contribution to the fixed costs of the infrastructure they require and that the remaining smaller domestic customer base are not unfairly subsidising them. However, the situation can only be properly resolved with a full restructuring of GEL's current tariffs.

4 Regulation of Tariffs – Interim Proposals

- 4.1 The regulatory vacuum and uncertainty that has existed since 2012 and which will continue until the States adopts new proposals for the licensing of the electricity and wider energy markets is not only prejudicing GEL's ability to invest in the infrastructure required to support the Island's transition, but it is also

¹⁵ The equivalent of the standard variable charge

sending misleading signals to the market place. Without a restructuring of GEL's tariffs, the consumers of today and tomorrow will: firstly, continue picking up the unrecovered fixed costs of the infrastructure enjoyed by yesterday's customers; and, secondly, will effectively be subsidising the fixed costs of remaining connected to the grid for those customers who have invested in, for example, solar renewables. These latter customers would have made those investment decisions based on tariffs that do not properly reflect the fixed and variable costs of the electricity they consume today.

4.2 The work being undertaken by the CfED on both a new licensing system and cost-reflective tariffs in the wider energy market should address these issues for the longer-term in due course. However, there is today an immediate need to address GEL's tariffs to ensure that: firstly, the Company's tariffs are structured in such a way to support the energy transition that has already started; and, secondly, it can fulfil the role that the Energy Policy envisages the company will provide in future by investing in and providing the secure and resilient electricity infrastructure that the Island needs. For example, this includes: an on-island conveyance network that can sustain the forecast increase in electricity consumption; and, the development of a second subsea cable direct from Guernsey to France which has been agreed¹⁶ in principle by the States as part of the cable strategy included within the Energy Policy.

4.3 The current regulatory system for the electricity market has been largely dormant since 2012. Whilst that system could now be used to address the issues relating to GEL's tariffs, the joint Committees do not believe this is the best approach for several reasons:

- Firstly, reactivating that regulatory system in full would require the investment of resources by both the GCRA and GEL at a time when the focus should be on supporting the CfED on the development of a new licensing framework as a matter of high priority;
- Secondly, whilst the resolutions agreed by the States in 2015/16 relating to the previous review of regulation have been rescinded to enable the CfED to progress with the development of a new licensing framework, it does not follow that the issues and concerns about that older regulatory system that were identified at the time have been resolved, particularly in relation to its cost and proportionality. The joint Committees believe those issues and, in particular, the previous price control mechanism for tariff setting, would need to be addressed if the system was to be fully reactivated. Resolving this

¹⁶ Resolution 8 of Article 8 of Billet d'Etat XI of 2020: To approve the cable strategy set out in 8.17 and agree in principle the need for a second interconnector, subject to the consideration of a full business case; and to direct the States Trading Supervisory Board via Guernsey Electricity Limited to revert to the States of Deliberation with the full business case.

single issue could take some significant time as no price control has been carried out since 2011. However, rather than investing resources in looking backwards, they believe that the focus should be on the development of the new modern licensing framework envisaged by the Energy Policy, acknowledging the commitments given therein that this should be proportionate and cost-effective; and,

- Thirdly, many of the issues that will need to be taken into consideration in reviewing GEL's tariffs involve factors that go beyond the principles of economic regulation that are typically involved in the current regulatory system. For example, shaping tariffs to ensure they support the Island's environmental objectives and encourage change in consumer behaviour would be one such factor. There will also be issues of social equity to take into consideration by, for example, considering how all customers can benefit from renewables, rather than just those who can afford the upfront capital investment that can often be required. In addition, the restructuring of GEL's tariffs to ensure that its standing charges properly reflect its fixed costs will have to address the impact on customers who only consume low levels of electricity and will not see corresponding savings in their variable charges that fully offset the increase in their standing charge. This may require consideration of social policy interventions.

4.4 Therefore, the joint Committees believe that there is a requirement to put in place an alternative interim arrangement that enables the issues around GEL's tariffs to be addressed whilst providing the CfED with the time to develop and bring forward policy proposals and, then, legislation for a new licensing framework. It is therefore proposed that responsibility for determining GEL's electricity prices and tariffs should be transferred from the GCRA to the States, acting by and through the STSB, on an interim basis and pending the agreement of a new licensing framework for the electricity sector, which may or may not include alternative provision for the future regulation of prices and tariffs.

4.5 The following factors have been taken into consideration in proposing this approach:

- It would mirror the arrangements that are in place for a number of the States' other trading businesses, where fees and charges are determined by the STSB. These include the Ports, Guernsey Waste, Guernsey Water and Guernsey Dairy;
- The States would, through the STSB, retain control of GEL's prices and tariffs, enabling them to ensure that they were aligned with its environmental and other policy objectives;

- To the extent that it should be necessary until a new licensing framework is determined, the GCRA could continue to exercise the other regulatory responsibilities for which it is currently responsible under the Electricity Law, 2001, such as service standards, and charge GEL such licence fees as may be necessary to fund the cost of that residual work. Such an arrangement is not uncommon; indeed, whilst the STSB is responsible for determining the tariffs charged by the Ports, Guernsey Waste, Guernsey Water and Guernsey Dairy, each of those businesses is also subject to some form of external independent qualitative regulation (for example, by the Civil Aviation Authority or the Office of Environmental Health & Pollution Regulation);
- These arrangements can be implemented without compromising the Bailiwick's WTO obligations, which are principally concerned with issues of market access, not the mechanisms for the approval of electricity tariffs and prices.

Whilst some legislation will be required to give effect to the above proposals, it is anticipated that this will be relatively minor in nature and should involve only amendments to the Laws set out in section 2.1 above. Amendments to those Laws can be made by Ordinance and do not require an Order in Council. In the event that those Laws are amended, then the GCRA would have to make some consequential amendments to the licences it has issued to GEL.

- 4.6 In the event that the States approves these proposals, then it would be the STSB's intention to adopt a phased approach to working with GEL to review its tariffs and prices.
- 4.7 The first priority would be to undertake the restructuring and rebalancing of GEL's tariffs. Restructuring the tariffs at an early opportunity is essential, given the misleading and distorting effect that the current tariffs are having on the market place and the energy transition. The second priority would be to rebalance the tariffs, given the opportunities this presents to align them with the variable cost of electricity that is available through its Power Purchase Agreements and to offer more innovative tariffs as a result. These initiatives should be revenue neutral for GEL, but do offer the opportunity to reduce the average unit cost of electricity consumed in the Island by encouraging use of imported electricity at times when it is cheaper.
- 4.8 The third priority will be to review the tariffs so that GEL can start generating additional revenues to enable it to continue investing in the electricity infrastructure at the level required to support the energy transition and the Island's new Energy Policy. The intention would be to ensure that any increases in tariffs are presented as part of a smooth tariff evolution strategy over a transitional period, thereby avoiding any price shocks for the market, particularly

as the Island's economy recovers from the COVID-19 pandemic.

4.9 It is important to note that key safeguards will remain in place under the proposed arrangements, as follows:

- Under the provisions of the Regulation of Utilities Law, 2001, the States are already and will remain under the same statutory obligation as the GCRA to promote (and balance) objectives which include: firstly, protecting the interests of consumers in respect of prices; secondly, securing the provision of utility services that satisfy all reasonable demands within the Island; and, thirdly, ensuring that utility activities are carried out in such a way to best serve the economic and social development and wellbeing of the Island; and,
- In developing its tariff proposals for consideration by the STSB, GEL would still have to comply with the requirements of the Competition (Guernsey) Ordinance, 2012 (and associated legislation), including its provisions on the prohibition of practices that are either an abuse of a dominant market position and/or are anti-competitive. This legislation was not in existence when the Electricity Law and current system of regulation was originally introduced.

The STSB's policy is that GEL should be operated on a "not for dividend" basis and that any profits earned by the Company should be either re-invested in the business for the benefits of customers and the Island's environment or "returned" to customers by freezing (or even reducing) tariffs.

4.10 In exercising its proposed responsibilities in respect of GEL's tariffs, the STSB anticipates that it will need to commission external assurance to assist it in determining the Company's future tariffs. The cost of any such assurance would, quite properly, be met by the Company. However, the STSB anticipates that this would be offset by a reduction in the licence fees that GEL pays to the GCRA, which have been set by the Authority at £180,000 in 2021 (£120,000 in 2020).

5 Supply & Conveyance Licences

5.1 Under the provisions of the Regulation of Utilities Law, 2011, the States has the authority to give Directions to the GCRA. Section 2.1 above notes that, in the case of the supply and conveyance markets, GEL has protected licence exclusivity under Direction from the States to the GCRA at least until 31st January 2022 (albeit that exemptions from the requirement to hold a supply licence are available to other operators). GEL does not have licence exclusivity in the generation markets.

5.2 Under the terms of the legislation, the term "conveyance" covers the transportation of electricity from the generating station to the final

substation. This is closely aligned to GEL's high voltage (HV) network. The term "supply" encompasses Guernsey Electricity's low voltage (LV) cabling that is provided between the final substation and the property receiving the electricity. In a small number of cases, supply activities can also encompass elements of the HV network, as some customers are supplied with HV directly. The breakdown of GEL's current network is approximately one third HV and two thirds LV. Therefore, GEL's licensed "supply" activities extend beyond simply the retail arrangements it has in place for the sale of electricity to its customers, but also involves the provision and maintenance of the substantial proportion of the Island's electricity network.

- 5.3 In accordance with the Energy Policy, the CfE&I will be bringing forward proposals in due course for an update to the Island's Electricity Strategy. It is anticipated that this Strategy will include recommendations on the establishment of a target for the generation of on-island renewable energy. In doing so, it could identify what additional detailed policies the States could put in place to facilitate more adoption of local renewable electricity. These might include: changes to the electricity market structures; adapting tariffs to incentivise the development and adoption of local renewable energy; and/or, changes to the "merit order" under which GEL is currently required to operate¹⁷.
- 5.4 In considering the future market structures, the updated Electricity Strategy will provide an opportunity for the States to consider how the development of local renewable electricity relates to the States' current N-2 security of supply requirements under which GEL is currently required to operate, noting that a key pillar of the Energy Policy is that all suppliers should in future share responsibility for security within a more open energy market.
- 5.5 It is anticipated that the updated Electricity Strategy will be submitted to the States for consideration by the CfE&I by or during the third quarter of 2022. However, with GEL's exclusivity in the supply and conveyance markets ending before then on 31st January, 2022, the States need to consider what guidance should be issued to the GCRA in respect of its licensing responsibilities from that point and until any new licensing framework is adopted by the States.
- 5.6 It is therefore recommended that a States' Direction should be issued to the GCRA that, in undertaking its responsibilities under the Electricity Law, 2001, it should ensure its actions and decisions are consistent with and support the implementation of the States' extant Energy Policy and Electricity Strategy and, in particular, reflect the Energy Policy's focus on: establishing targeted

¹⁷ The merit order ranks the electricity sources available to GEL for dispatch into the network and is based solely on their ascending order of price (such that the cheapest must always be dispatched first). Changes to the merit order could require a greater weighting or priority to be given to the dispatch of locally generated renewable electricity and would enable GEL to stimulate the market by entering into committed power purchase agreements with suppliers of such electricity.

competition to support establishing on-island (including off-shore) renewable energy; and, facilitating a competitive energy supply market using shared critical infrastructure.

6 Consultation

- 6.1 In May, 2021, the joint Committees undertook a targeted closed consultation of the GCRA and the members of the Energy Forum in respect of the potential for extending GEL's exclusivity in the case of the supply and conveyance markets. The GCRA confirmed that an extension of the arrangement would be a reasonable approach in the current context, but it was clear from the responses that there were differing views, and that overall an alternative approach was needed that would balance removing barriers for on-island businesses and market entrants in respect of renewables while preserving the approach of sharing the base network.
- 6.2 The joint Committees have also consulted with the GCRA in respect of the recommendations regarding tariff regulation. The GCRA's overall view is that maintaining the current regulatory regime "will support the expediency needed and provide the most appropriate safeguards to address the real issues identified". However, the joint Committees have set out above the reasons why the change of approach in the interim is recommended. Notwithstanding, the helpful observations made by the GCRA will be useful in ensuring an effective approach in the interim should the States support the propositions.

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 In accordance with Rule 4(1), the Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.
- 7.3 In accordance with Rule 4(4) of the Rules of Procedure of the States of Deliberation and their Committees, it is confirmed that the propositions above have the unanimous support of the Policy & Resources Committee and the States' Trading Supervisory Board. The propositions have the majority support of the Committee *for* Economic Development, with Deputy Vermeulen not supporting the propositions.
- 7.4 In accordance with Rule 4(5), the Propositions relate to the duties of the: Policy & Resources Committee to promote and facilitate cross-committee policy development; the Committee *for* Economic Development to advise the States on regulation in the economy; and, the States' Trading Supervisory Board to carry

out the States' role as shareholder in Guernsey Electricity.

- 7.5 In accordance with Rule 4(5), the joint Committees consulted with the Committee *for the* Environment & Infrastructure, the Guernsey Competition & Regulatory Authority and the members of the Energy Forum. A letter of comment from the Committee *for the* Environment & Infrastructure is appended.

Yours faithfully

**Policy & Resources
Committee:**

P T R Ferbrache
President

H J Soulsby
Vice-President

M A J Helyar
J P Le Tocq
D J Mahoney

**Committee *for* Economic
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N R Inder
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N G Moakes
S P J Vermeulen

**States' Trading
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C N K Parkinson
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Via e-mail

27 May 2021

Dear Deputy Ferbrache

LETTER OF COMMENT ON THE INTERM TARIFF REGULATION POLICY LETTER

The Energy Policy submitted to the States Assembly by the predecessor Committee *for the Environment & Infrastructure*, and adopted by the States in 2020, established a policy framework for the effective management of Guernsey's energy needs over the period 2020-2050. It sets out high-level policy direction to enable the States to manage the global transition to decarbonisation in the energy market at a local level.

The Committee's view is that the policy letter from the joint Committees marks a significant first step in reaching the aims and objectives of the Energy Policy.

The Committee concurs that there is a strong case for restructuring and rebalancing GEL's current tariffs as a high priority to support the objectives of the Energy Policy. The Committee supports the rationale for the interim approach that is being proposed in respect of tariff regulation. This balances the need for certainty for the market, including Guernsey Electricity Limited (GEL), the need for the States to move quickly in that respect, and the need to find a pragmatic and effective approach given the significant demands on government resources in a challenging local and global environment post-Covid and post-Brexit.

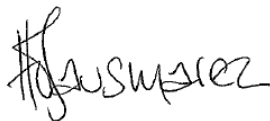
The 2020 policy letter does specifically acknowledge the importance of taking steps in the interim to ensure that GEL could continue to maintain electricity supply whilst awaiting a new licensing framework, and recognised that the States might need to enable this to happen if it was not possible to issue licences under the new licensing framework in sufficient time. This approach is consistent with that.

This approach will be further supported by the Electricity Strategy currently being developed by the Committee, for which the aim is to present it to the States Assembly in mid-2022 following consultation and engagement with energy users and the industry. This will set out work *inter alia* on source and security of supplies and merit order despatch. That policy letter will set out how the Electricity Strategy can support the on-island generation and trading of renewable energy, both to support the Energy Policy and the development of an economic sector for renewables in the Bailiwick.

The Committee also notes that GEL's licence exclusivity in the electricity supply and conveyance markets will expire on 31 January 2022. The Committee is aware that the joint Committees considered, consulted on but ultimately decided against including recommendations on any extension of the exclusivity in the policy letter and, as such, GEL's exclusivity will currently expire as scheduled early next year.

As a result of the above, the policy letter acknowledges that the States need to consider what guidance should be issued to the GCRA in respect of its licensing responsibilities from that point and until any new licensing framework is adopted by the States. Whilst supporting the overall approach, the Committee notes that its success will depend significantly on how the GCRA interprets the States' Energy Policy. This will need to be carefully monitored and, if necessary, consideration given to putting in place additional States' Directions to the GCRA. The Committee will seek to actively work with the Committee for Economic Development on such a Direction, and ensure it is reaffirmed on the Electricity Strategy that is being developed.

Yours sincerely



Deputy L De Sausmarez
President
Committee *for the* Environment & Infrastructure

Cc Deputy Peter Roffey, President, States' Trading Supervisory Board
Deputy Neil Inder, President, Committee *for* Economic Development