

OBSERVATIONS OF POLICY & RESOURCES COMMITTEE

- 1.1 The Policy & Resources Committee has carefully considered all the matters raised in today's context and in light of the strategic aims for this term:
- secure the Bailiwick's resilience;
 - maximise the community's collective potential; and
 - ensure we are competitive as an economy.

Committee *for* Economic Development

- 1.2 The Committee *for* Economic Development has played a key role in delivering four of the 2021 top ten recovery actions which were identified in the GWP in 2021 as being key to delivering a sustainable economic recovery: Digital, Skills, Finance and Tourism, and Transport.
- 1.3 During 2021 the Committee worked closely with the Policy & Resources Committee to establish a universal broadband fibre network by 2026 which was a top ten action because it will significantly enhance the digital connectivity for both Bailiwick businesses and residents which is a key economic enabler.
- 1.4 In support of this investment the Digital Framework has been published and a series of Action Plans will now be developed which focus on enabling infrastructure, developing skills and pathways, and innovation, transformation, and entrepreneurial growth.
- 1.5 The Committee is working jointly with the Committee *for* Education, Sport & Culture on a Human Capital Development Plan to enhance the knowledge and skills of Bailiwick residents which will be considered by the States this year and continues to be a prioritised action.
- 1.6 The Committee has increased Government's support for the finance industry by increasing the States of Guernsey's investment in Guernsey Finance to £2.5 million per annum from 2022 to 2024. The Committee is working jointly with the Policy & Resources Committee to bring proposals for new Lending, Credit and Finance Legislation during Q2 2022 alongside other work on the Island's legislative structure to support development of the industry. It is also keen to promote and enhance the tourism and hospitality sector and will bring a policy letter on the Tourism Product Development Plan during 2022.

- 1.7 The Committee is under a States' Resolution to bring a business case to the States that will examine the costs and benefits of extending the runway at Guernsey Airport to at least 1,700m, and having accelerated work on transport policy as a top ten action in 2021, it continues to invest energy in the Island's connectivity and transport, currently through developing the licensing regime for roll on/ roll off ferries.
- 1.8 Considerable resource is dedicated to workstreams within GWP Priority 2 - Managing the effects of Brexit - by working closely with industry and focusing on trade agreements to ensure that the Bailiwick remains a highly competitive and attractive jurisdiction.
- 1.9 The Committee has also actively invested in the work to promote responsive population measures which is coming to the States in Q2 2022. Housing remains a critical issue for the economy which the Committee feels is a key economic enabler and needs to be addressed as a matter of priority.
- 1.10 It now acknowledges a shift to focus on other enablers will support broadening the economy through renewable energy and green and blue economy supporting plans.

Committee for Education, Sport & Culture

- 1.11 The Policy & Resources Committee acknowledges the importance of the work proposed by the Committee for Education, Sport & Culture in improving educational outcomes, noting the longer-term impact on health outcomes, economic prosperity and potential resultant pressure on public services.
- 1.12 The use of available data to identify a targeted programme of work to support those most affected by the pandemic in those settings where the need is greatest is welcomed, as it should ensure a proportionate and focused programme of investment. The Committee for Education, Sport & Culture has redistributed funds to start the work which has already provided some investment in primary education and supporting services.
- 1.13 Looking across the four nations of the UK, current plans for education catch-up spending show that spending per pupil is due to be £400 in Wales, £310 in England, and about £230 in Scotland and Northern Ireland. However, plans for England currently extend through to 2022-23 and beyond, whilst they only apply for 2021-22 in Wales, Scotland and Northern Ireland. It seems highly likely that these plans will be extended once the devolved administrations learn the implications of England's spending plans for the 2022-23 grants they will receive.

In comparison, education catch-up plans for the Netherlands (£2,100 per pupil) and US (£1,800 per pupil) are far larger and more ambitious¹.

- 1.14 Based on 5000 learners, this request for Bailiwick students represents an injection of £262 per pupil over two years. The States will be aware that one-off investments in other services immediately impacted by the pandemic were agreed last year through the GWP, such as the surgical catch-up programme. The Committee *for* Education, Sport & Culture made it clear at that time that it was premature to submit funding requests through the F&IP as it continued to make internal adjustments and until that process concluded with the actions fully scoped, it would not estimate its requirements. Given the established impact on the education and wellbeing of the Bailiwick's children, and the dependence of the future prosperity in the hands of future generations, this targeted one-off investment over three years to accelerate their educational recovery is supported by the Policy & Resources Committee.
- 1.15 However, the Policy & Resources Committee is concerned that the long-term programme to build resilience and flexibility that requires 35 new posts – which is dependent on recruitment in a difficult market compounded by the well-established housing difficulties and cost of living pressures – may prove challenging to resource in this ambitious timeframe. This may result in a need to prioritise within the programme the operational developments which address the most immediate, and challenging, concerns.
- 1.16 The Committee *for* Education, Sport & Culture has confirmed that it is unable to resource this sustained programme within its existing budget given the work already undertaken to redistribute its resources to areas of greatest need. Therefore, an uplift in baseline costs should be considered as a permanent increase in operating cost.
- 1.17 The impact of the pandemic on the ability to progress wider workstreams illustrates the challenges of adequately resourcing the strategic projects to secure the benefits for the community; a number of short-term roles have been identified to recover the lost time on this work.
- 1.18 The Policy & Resources Committee supports the use of short-term roles for targeted acceleration of deliverables, over the use of external consultants or longer employment contracts, where there is a capacity shortfall and pressing urgency and where the impact of not doing so exacerbates the problems and impacts government services in the longer term. There are, however, potential recruitment and retention difficulties associated with short-term contracts.

¹ [Comparing education catch-up spending within and outside the UK - Education Policy Institute \(epi.org.uk\)](https://www.epi.org.uk)

- 1.19 The work proposed by the Committee *for* Education, Sport & Culture understandably at this time focuses on the educational aspects of its mandate, however it is important to note that resources were agreed last year to invest for a three-year period in the delivery of Active 8: A Plan for Sport and to establish the Language Commission.
- 1.20 In response to the work led by the Committee *for* Economic Development to develop a Tourism Product Development Plan, the Committee *for* Education, Sport & Culture may in 2023 need to consider the role of arts and culture, its strategic direction with regards to heritage management, and the reprioritisation of the current funding.

Committee *for* Employment & Social Security

- 1.21 The Policy & Resources Committee acknowledges that the work proposed by the Committee *for* Employment & Social Security directly links to maximising the community's collective potential and addressing the barriers which some islanders face. Both the ageing demographic and future pressures on household finances are likely to result in increased demands on public services over the coming years and the Policy & Resources Committee considers the focussed attention in these areas to be prudent.
- 1.22 The Committee *for* Health & Social Care is already affected by the challenging operating circumstances in the care sector, compounded by the continued effects of the pandemic. Until it is possible to maximise hospital resources through a reduction in delayed discharges, efforts to address health backlogs will be curtailed. The Policy & Resources Committee recognises the complexity of addressing this challenge, and the need to prioritise tactical policy development which addresses the most immediate, and challenging, operational concerns.
- 1.23 Similarly, the Policy & Resources Committee is mindful that given the increasing cost pressures on individual households, it is opportune to undertake a proportionate and pragmatic appraisal of today's situation in order to expedite any amendments to policy.
- 1.24 The work proposed by the Committee *for* Employment & Social Security may have potentially significant financial implications; needs to be considered in the context of the ongoing tax review to ensure long term sustainability; and is a considerable portfolio of policy work which will be challenging to resource. They are important areas of policy in terms of the community's resilience and ensuring equity for islanders and the Policy & Resource Committee agrees these need to be addressed this political term.

- 1.25 Having considered the advice of the Committee and the local context affecting islanders, and in its capacity to co-ordinate the work of the States, the Policy & Resources Committee has listed the theme ‘improve living standards’ as a priority set of actions for the States to consider. While resourcing is challenging, it will do all it can to ensure the best available knowledge and skills within the States expedite the work in both areas of policy. The first actions are to appraise income supports levels and review funding options for long-term care.

Committee for the Environment & Infrastructure

- 1.26 The Policy & Resources Committee recognises these three interdependent areas of policy – electricity and renewables; enabling climate change mitigation and adaptation; and the first steps for the blue and green economy – where, left unmanaged and without interventions, would expose the Island to higher costs and decreasing competitiveness, weakening its resilience.
- 1.27 In determining their Climate Change Policy and Action Plan in 2020, the States directed the Committee *for the Environment & Infrastructure* to investigate the necessary steps to establish an independent advisory body to provide advice to government and others on climate change matters, and to report back to the States by the end of 2021. The Committee was also directed to bring a policy letter to the States before the end of 2021, which set out proposals to adapt the Island to the effects of climate change.
- 1.28 This was not included in the recovery actions last year but is a follow-on action from the work seeking extension of the Paris Agreement that was given priority by the States as an action under P2 – Brexit and International Standards. The sponsoring Committee is keen to progress. However, it is a new Committee and mindful that as a small jurisdiction some solutions adopted elsewhere will be incompatible, the approach directed by Resolution is being adapted. The Committee *for the Environment & Infrastructure* will appoint an expert panel of appropriately skilled people tasked to develop pragmatic, proportionate and affordable climate change mitigation and adaptation proposals drawing on the wealth of data and activity in reference jurisdictions, with a focus on the areas that Guernsey can deliver more effectively and have the most impact. It intends to report ahead of the GWP refresh in 2023.
- 1.29 This is important to islanders and the economy alike, given an increasing focus on Environmental, Social and Governance (ESG) delivery and reporting. The States must address emerging risks and opportunities for the Bailiwick as a jurisdiction, namely international obligations, geo-political events, and climate change. With an eye on the long-term strategic needs of the Island, the Policy & Resources Committee is facilitating the States’ consideration of assigning recognition to these issues and the priority resourcing afforded priority actions.

- 1.30 Supporting plans that maximise the sustainable social and economic use of the Island's natural assets will ensure Guernsey can continue to promote itself as a leader in Green Finance; improve its energy resilience; and mitigate wider risks to our health and wellbeing. On this basis, and with the strategic aim of the GWP to ensure a competitive economy, the Policy & Resources Committee is again facilitating the States' consideration of assigning recognition to these issues established by their Strategy for nature approved in 2020, and thereby the resourcing afforded a priority recovery action.

Committee *for* Health & Social Care

- 1.31 There is considerable work to conclude in the GWP that engages the Committee *for* Health & Social Care's mandate including the delivery phase of the review of primary care to be resourced by the Committee further to the prioritised GWP resourcing for 2022 that the States will consider that would ensure the Committee can bring proposals to the States this year. There is also the continued GWP investment in the amendments to the primary Children Law to be considered, which has phase 2 work on secondary legislation which will also require resourcing by the Committee upon the conclusion of the first stage of work.
- 1.32 Its policy agenda has other important legislation yet to be fully implemented, as set out in the GWP Framework, notwithstanding there may be a planned pause with secondary legislation pursuant to the introduction of health and care regulation. There are also delays in hospital services to address, in part through policy approaches to long term care funding and service provision to release capacity in the hospital.
- 1.33 It also has to undertake reviews of NICE drugs and TAs, and Bailiwick Social Prescribing in the coming 12 months.
- 1.34 Operationally the Committee *for* Health & Social Care is overseeing very significant investment projects and managing challenging service delivery while embedding COVID-19 protocols into routine business.
- 1.35 It has raised two other policy matters in its consideration of prioritisation; both would progress work to discharge extant Resolutions. The first seeks to scope the work required to review the legal status of cannabis which has been held in abeyance by the project board discharging the extant Resolution to explore non-punitive approaches to small quantities of illegal drugs; the second, to scope the work required to progress with a new Public Health Law.

- 1.36 The Committee *for* Health & Social Care has identified capacity in quarter 1 of 2023 to scope the next priority health policy action that the States require addressed. It has recommended, by a majority, the preparation for a review of the legal status of cannabis take precedent.
- 1.37 By way of background, in July 2021 the States of Guernsey signed a Memorandum of Understanding (MoU) with the UK Home Office in order to strengthen and develop the nascent cannabis cultivation and processing sector in Guernsey. In response to this, the domestic licensing regime has been strengthened through the establishment of the Bailiwick of Guernsey Cannabis Agency, bringing together the different licensing and regulatory authorities.
- 1.38 The agreement of the MoU was complex and is based in part on the fact that Guernsey has a consistent and clear position on wider cannabis-related matters. It is essential that as the MoU is implemented, any change in policy with regard to the legal status of cannabis should consider the impact on the relationship with the UK Home Office and the licensing regime that is being put in place which is based on close consultation with the UK on the same matter. Any recommendations in relation to a shifting position in this respect could impact the developing industry and any associated agreements or negotiations.
- 1.39 The Policy & Resources Committee has, as a consequence of this becoming public knowledge, received strong and unanimous representation against listing this work in the GWP from the Committee *for* Home Affairs on the basis that in recommending the work in the GWP it risks absorbing limited resources on a very complex area of policy.
- 1.40 The States of Guernsey will be stretched to support this additional area of cross-Committee policy development given the other actions set out in the GWP, especially with respect to managing Brexit and meeting international obligations. Additionally, it has not been identified as a current and pressing matter by any other Committee that would be significantly involved. Furthermore, there are concerns that legalisation will require a regulatory function that will need to be established through legislation, and resourced, although it is noted these concerns may be mitigated through the terms of the review and/or funded by licensees.
- 1.41 On this basis a scoping exercise to establish the approach and resource requirements to review the legal status of cannabis would be necessary as a first step as recommended by the Committee *for* Health & Social Care but could be considered premature given the wider concerns facing the Bailiwick.

- 1.42 The Policy & Resources Committee notes the Committee *for* Health & Social Care's view that to progress a new Public Health (Enabling Provisions) Law is not urgent given it was first identified by Resolution in 2014; work has not been prioritised by successive health committees; and when necessary, in a pandemic scenario, the Island was able to respond within its wider legislature.
- 1.43 Nevertheless, the Policy & Resources Committee understands there are risk mitigation benefits in scoping the work to develop new legislation, as a new Law would more easily support activity where use of emergency regulations will not be an option (when the definitions within the Civil Contingencies Law are not met in order for such regulations to be made).
- 1.44 The Policy & Resources Committee is under Resolution that having consulted with the Committee *for* Health & Social Care, it shall give full consideration in the Government Work Plan Update to be debated in June 2022 to the impact of any prioritisation of a review of the Public Health Law during this term of government on the phasing and achievability of other actions.
- 1.45 The Committee has decided to set out the matter as a separate Proposition so the States can instruct the Committee *for* Health & Social Care to undertake the work they direct and also update the GWP framework accordingly through direction to the Policy & Resources Committee.

Committee *for* Home Affairs

- 1.46 The Committee *for* Home Affairs advises that the Justice Framework actions already prioritised through the GWP should remain the priorities for the States. This reflects well on the prioritisation decisions made previously. Future justice actions, where resourcing needs are identified and/or are cross-Committee in nature, that cannot be funded or resourced from within existing resources, will have to be considered for prioritisation through the GWP, alongside all other government matters.
- 1.47 The Policy & Resources Committee supports the Committee *for* Home Affairs in its determination to conclude through to implementation all the justice actions set out in the GWP. It is also cognisant of the significant draw on resources, both managing the Island's response to Brexit at the borders and the immigration issues flowing from the Russian/Ukraine conflict, including cyber security, are having on its operational and specialist staff which will make the workload challenging.

- 1.48 The Committee *for* Home Affairs is also leading on the work coming to the States later this term addressing the top ten action centred on population and immigration policies which will very likely have follow-on actions that the Committee will need to resource. The Committee has also secured funds for a pilot Sexual Assault Referral Centre (SARC) through the GWP, the exploratory work for which is progressing, and some resource issues are being flagged.
- 1.49 This extensive programme of work across the Committee's mandate is recognised by the Committee *for* Home Affairs which has identified the areas it advises the States are the top priorities for justice and is either seeking resourcing support or is developing in partnership with local entities such as the Guernsey Bar.
- 1.50 The scoping of work for the review of laws governing grounds for appeal is already progressing; has long been necessary; and should proceed to conclusion which the Committee advises it is resourcing. Likewise, the community has been waiting for the security that will be provided through an updated vetting and barring scheme underpinned by new legislation and it is an enabler for other actions important to the States with respect to provision of care services.
- 1.51 The Policy & Resources Committee is concerned that the States do not commence multiple new workstreams where funds are expended but there is not the capacity to either develop proposals for service changes or legislative support for new laws, nor to implement them successfully. On this basis and given the breadth of work already stretching the services that will deliver it, the Policy & Resources Committee is concerned that not all the actions are achievable within the next year.
- 1.52 The review of legal aid provision together with the conclusion of current actions and the new action centred on grounds for appeal would seem a full portfolio for the Committee *for* Home Affairs, given the continuing and demanding work in other areas under its mandate. Therefore, the recommendation is that the sentencing review should not be brought forward in the GWP, as has been requested, but that the legal aid review should be funded from 2023 if appropriate project management and policy development resource can be secured to support the Committee. The GWP Framework has been updated accordingly.
- 1.53 Significant pieces of legislation under the Justice Framework Action Plan have yet to be scoped but have been listed in the GWP. These therefore now meet the criteria for category 4 in the GWP; this does not preclude the service areas for which these are important legislative tools setting out the action mandate which the Committee *for* Home Affairs can bring forward for resourcing consideration in the next GWP refresh. Neither the Regulation of Investigatory Powers (RIPL) nor the Police and Criminal Evidence (PACE) legislation were originally phased for the next 12 months and therefore this does not materially change the intent

but does ensure that work commences only when the States have the capacity to conclude and implement it.

- 1.54 Finally, the enhancement of Guernsey's cyber-security legislative framework is critical, in terms of domestic safety and meeting external requirements and standards. This work will need to begin in 2022 and be concluded during this political term, and it may be that external expertise and resource can support its completion in due course. Priority 2 – meeting international standards - has been updated accordingly.

Development & Planning Authority

- 1.55 The Policy & Resources Committee has carefully considered the volume of work a review of the Island Development Plan (IDP) may generate, and not only for the Authority and its officials but also the other Committees of the States which already have a fully committed programme of work. As such, and in considering the information set out in Appendix 6, the Committee was attracted to seeking a Resolution of the States to extend the life of the current IDP in order not to commit resource to additional reviews this political term and to defer this for the next political term. However, it is also cognisant of the statutory requirement for the Authority to carry out a review the IDP within ten years of its adoption which would negate considerably the benefit of that approach.
- 1.56 The Committee also acknowledges that there are significant benefits to the priority recovery actions of government in undertaking a review of the IDP sooner, as the land use planning process is a key enabler in the delivery of government priorities and actions. It appreciates that the States require up to date, robust and relevant policies reflective of their strategic direction and priorities to progress housing, population, energy resilience, climate change mitigation and adaptation, the first steps for the blue and green economy, biodiversity, and tourism policies, and explore land use with respect to employment and agriculture.
- 1.57 The Committee understands the review can generally be resourced internally if supported with specialist consultancy, but necessary resources and funding will also need to be identified through the GWP to manage public engagement activity, the planning inquiry (which falls within the mandate of the Committee *for the Environment & Infrastructure*) and conclude publication of proposals in a policy letter. This could total up to £400k across 2023, 2024 and 2025.
- 1.58 It will also be necessary for the Authority to manage, at the same time, Local Planning Briefs for the Harbour Action Areas and potentially other strategic sites; major development proposals for housing, health and education; and plans for other key Island infrastructure; and to make legislative changes and other contributions to support the achievement of GWP priorities.

- 1.59 It will therefore be very important that the Authority adopts a proportionate approach to its management of a carefully scoped and targeted review to ensure it can conclude the work this political term which the Committee agrees is more preferable to long-term policy decisions immediately facing a new Assembly when the policy development has been driven by the previous States.
- 1.60 On balance, therefore, the Policy & Resources Committee has included funding provision for the review of the IDP from January 2023 on the basis it will be carefully managed and concluded in this political term following States consideration of the findings.

States' Trading Supervisory Board

- 1.61 The States' Trading Supervisory Board has approached the Policy & Resources Committee seeking a recommendation that the dairy replacement project should now be moved from a pipeline project to a delivery project in the GWP. The Committee does not currently agree with that recommendation (Appendix 6 refers) and is working with the States' Trading Supervisory Board to review the detailed breakdown of the costs of the project and the forecast cost of maintenance for the next four years.