

THE STATES OF DELIBERATION

of the
ISLAND OF GUERNSEY

POLICY & RESOURCES COMMITTEE

GOVERNMENT WORK PLAN 2022

Investing in Islanders, our Island and our Future

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

12th May 2022

Dear Sir

Executive Summary

- 1.1 The most critical work for the year ahead must respond to both local and international pressures. The actions of the States of Guernsey need to be focused and co-ordinated, to ensure that their limited resources are directed to deliver outcomes which:
- secure the Bailiwick’s resilience;
 - maximise the community’s collective potential; and
 - ensure we are competitive as an economy.
- 1.2 External influences continue to require significant resource. There is an ongoing demand to manage the impact of the post-Brexit arrangements with the UK and other jurisdictions; and also to demonstrate compliance with international standards to ensure the Bailiwick’s long-term prosperity through trade agreements and compliance with international conventions, standards and norms. Significant among the latter is the continued preparation for a MONEYVAL inspection which will continue to be a priority for resourcing given its importance to our economic wellbeing and international reputation.
- 1.3 The Island’s housing needs and the increasing cost of living are the two most pressing and immediate domestic pressures which the States must tackle.
- 1.4 The Policy & Resources Committee has considered the advice of the Committees of the States and consulted States’ Members, and in its capacity to co-ordinate the work of the States it has phased actions in the Government Work Plan (GWP)

which balance the needs of the Island and Islanders, with an emphasis on housing, energy security, living standards, health and wellbeing, responding to climate change, and supporting long-term economic competitiveness.

- 1.5 The States are invited to consider these actions for priority resourcing as category 1 actions.
- 1.6 The wider recovery actions in Priority Theme 3 for this political term identify the category 2 work (i.e. the work that Committees have started) or the category 3 work (i.e. the work that Committees have recommended is commenced). The work in these categories either discharges extant Resolutions or seek to introduce new areas of work identified as important by the sponsoring Committee. The Committees are also seeking to rescind extant Resolutions where the passage of time has demonstrated that the work is no longer critical.
- 1.7 Year one of the GWP demonstrated that capacity is such that while delivering against the top ten recovery actions has generally been achieved, it has been challenging in the context of discharging actions related to the management of COVID-19 and Brexit, Re-shaping Government activity, and more recently work in relation to the impact of the Russian invasion of Ukraine.
- 1.8 It remains the case that the States need to identify their priority actions to use their resources to best effect. The Policy & Resources Committee identified this in the stage 1 policy letter¹ of 12th February 2021 -

“The ambition of the new Assembly is prodigious and cannot easily be met, so the reality is that it will be making difficult decisions.”
- 1.9 Completing actions which have the most potential benefits for our community and economy, and taking a proportionate approach that reflects the Bailiwick’s scale and size, is increasingly important in the States’ decision-making. Where Committees are proposing new work, the Policy & Resources Committee is considering how such work can be managed given the overall picture.
- 1.10 The States must use their Plan to focus on what is a priority and to deprioritise or remove actions from the GWP where the resource, funding, implementation requirements and benefits are not yet clearly identified.
- 1.11 The 2022 GWP identifies -
 - i. The remaining activity to move to living responsibly with COVID-19;
 - ii. The essential external work for the Bailiwick to secure its resilience and maintain its competitive economy as it manages the effects of Brexit,

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moves to meet necessary international standards, and the response to external issues such as the Russian invasion of Ukraine;

- iii. The investment activity for this political term in the mechanisms to deliver government functions and maintain the Bailiwick's infrastructure; and
- iv. The phased recovery actions, now categorised as -
 - a. 2022 priority recovery actions in which to invest resource and funding for short and long-term benefits;
 - b. Other recovery actions for the coming 12-18 months which are resourced as far as possible, and which may be follow-on activity implementing previous actions, may result from previous decisions of the States, or may be new recommendations from Committees;
 - c. Recovery actions to commence within this political term which are scoped but capacity precludes earlier progress; and
 - d. Actions yet to be scoped, for which there is no resource at present and it is anticipated will commence in the next term. However the sponsoring Committee may scope the necessary work and submit to a future GWP update to accelerate the work, if competing demands and capacity permit and if the States support the next stage of the work.

1.12 Activity to support living responsibly with COVID-19 is drawing towards a close as pandemic response actions cease or are integrated into the normal business of providing health services. The Policy & Resources Committee therefore proposed revising the four prioritised work for the remainder of the term as two programmes of work, domestic and international.

1.13 The approach of the GWP supports the States of Deliberation manage the discharge of extant Resolutions and prioritise legislative drafting, which they coordinate with relevant new work to address current domestic and international opportunities and challenges.

1.14 The GWP is the closest yet that the States have come to achieving a costed and affordable plan in which all the significant actions of government are co-ordinated. The States are moving to a point where they will be managing their up-coming policy decisions and the implementation of all previous decisions annually, in a prioritised fashion, and with a report on progress against its priorities.

2 Introduction

2.1 Rule 23 of the Rules of Procedure of the States of Deliberation and their Committees requires an annual report and review of States' policy planning and its implementation which should include:

- commentary on progress and emerging issues;
 - identification of States' Resolutions which remain outstanding and updates from responsible Committees; and
 - a proposed order of priority for the drafting of significant items of legislation for the year ahead.
- 2.2 The first of this political term's annual GWP monitoring reports is attached at Appendix 1. The Policy & Resources Committee also publishes biannual reports in January. Additionally the Scrutiny Management Committee explores by public hearing the work of the Committees of the States in discharging the GWP as well as of the Policy & Resources Committee in co-ordinating the Plan.
- 2.3 An analysis of extant Resolutions (section 11) demonstrates the improving delivery of the decisions of the States. The order of priority being applied to the drafting of significant items of legislation for the year ahead (Appendix 2) completes the reporting requirements set out by the States.
- 2.4 Drawing on the information received from Committees and States' Members, and in its capacity to co-ordinate the work of the States, the Committee has phased actions in the GWP which will drive the States' response to current and emerging issues by investing in the Island's resilience. This has required that the other activity of the States is revisited in order to secure affordability and achievability of priority actions. This has been assisted by categorising the actions subject to their maturity.
- 2.5 The GWP must resource the more pressing recovery actions. These are the actions raised by Committees in the workshops undertaken earlier this year and on which the Committee has already sought the views of States' Members.
- 2.6 The published framework (Appendix 3) sets out actions for the remainder of this political term based on achievability, affordability and impact, as far as can be estimated based on available information. This has resulted in some actions being recategorised (changes are recorded in tables at Appendix 4). Subject to resource availability in Committees, these may be revisited this term.

3 Current Context

Policy pressures

- 3.1 The COVID-19 pandemic concentrated attention on individual and collective wellbeing, as illustrated by the consistent call to 'build back better' in almost every comparable jurisdiction. There is increasing interest globally in wellbeing frameworks and budgets to focus policy and investment decisions towards economically, socially, culturally, and environmentally sustainable outcomes.

The States have already established policies in these areas, such as the commitments to ensuring health outcomes and climate change impact are considered in all policy development.

- 3.2 The Bailiwick is now living responsibly with COVID-19 and responding to public health measures without emergency regulations. Some facilities are being stood down and staff are returning to their previous roles, but prevention measures and monitoring will have a sustained impact on the work of the Committee *for* Health & Social Care and the revenue budget.
- 3.3 The Island's housing needs and the increasing cost of living, are the two most pressing and immediate domestic pressures which the States must tackle. In addition the States must ensure that they learn from the pandemic experience and ensure their preparedness for the future with a determined focus on resilience and investing in Islanders' potential.
- 3.4 The extension of the post-Brexit Trade and Co-Operation Agreement has increased the level of compliance for Guernsey in respect of trade with other partners. Whilst this requires significant resource to support, it will support the Bailiwick's interests in the long-term.
- 3.5 Managing the impact of Brexit will be a sustained area of work for Committees across government throughout this political term, absorbing a diverse number of subject matter experts, policy officers and external advisors. The requirement for Guernsey to continue to meet international standards and norms across a number of areas is also a significant and ongoing workstream. These include evaluations by international bodies, which also require resources from both the States and other on-island agencies.
- 3.6 Economic and supply chain volatility in recent years has meant that the States need to redouble their efforts in order to maintain resilience across a number of critical areas – energy, transport connectivity, digital connectivity, infrastructure, skills and the workforce. The States have ownership and management of many of the Island's strategic assets, which makes them well-placed to meet these challenges, but they must ensure that planning and investment are long-term, that innovation is encouraged, and that they work collaboratively with other partners and other jurisdictions.
- 3.7 Global and national issues will continue to impact the Bailiwick, and the limited resources at the disposal of the States will necessarily be focused on these matters. The States are considering the implications of the Russian invasion of Ukraine, commencing a review of current government policies and how they apply to those who are seeking refuge. This is a significant workload.

Financial Context

- 3.8 The Funding & Investment Plan is an integral part of the GWP and sets out the financial planning framework within which the States will operate and resource. It considers all aspects of income and expenditure including business as usual, previous policy decisions and service developments, Brexit, COVID-19, recovery actions and capital investment.
- 3.9 The Funding & Investment Plan financial model has been updated considering the 2021 outturn, bringing all figures to 2022 prices, and incorporating the latest projections around the GWP initiatives (Appendix 8).
- 3.10 Overall, improvements have meant that there is now unlikely to be a need for any further external borrowing in this term to fund the capital portfolio. This has been driven in large part by the faster than expected recovery in 2021. However execution of the GWP as currently set out will result in the majority of the States' financial reserves being exhausted over the remainder of this term.

4 Government Work Plan 2021 Monitoring Report (full report at Appendix 1)

Priority 1 – Responding to the COVID-19 Pandemic

- 4.1 Over the last twelve months, the Bailiwick's response to the pandemic has continued to focus on proportionately mitigating the risks of COVID-19 for islanders, the community and the economy. This has been achieved through the delivery of a successful vaccination programme, maintaining a proactive testing strategy throughout the community, proportionate border restrictions and the continued promotion of public health measures. The Bailiwick has responded flexibly and often very swiftly to evolving circumstances, including temporarily increasing restrictions in response to emerging variants of concern and removing restrictions as quickly as possible as the risk profile decreased.
- 4.2 In line with the Bailiwick Blueprint, the Civil Contingencies Authority ceased to use emergency powers from 17th February 2022, bringing with it the end to legally mandated self-isolation for COVID-19 cases and cessation of border restrictions. This has seen the management of COVID-19 risks become business as usual. Commendably, the Bailiwick reached this position ahead of comparable jurisdictions. Priority 1 is now drawing to a natural point of cessation as pandemic response actions stop, subject to further waves or new Variants of Concern, or are integrated into the normal business of health.

Priority 2 – Managing the Effects of Brexit; Meet International Standards

- 4.3 The challenges and opportunities post-Brexit have continued to emerge, evolve and develop quickly, often beyond the States of Guernsey's control and alongside other geopolitical events (such as the Russian invasion of Ukraine). Along with the continued development of Guernsey's international identity and reputation, the Island requires a flexible approach to ensure that it can respond effectively for the benefit of the Bailiwick, using resources to best effect. This activity will continue to draw heavily on States' resources throughout this political term.
- 4.4 Significant progress has been made in the last 12 months on Guernsey's participation in UK trade agreements as the Island pursues opportunities that have arisen following Brexit. Access for trade in goods has been secured for the Bailiwick in UK agreements with *inter alia* the EEA EFTA, Japan, Australia, Singapore (digital) and New Zealand.
- 4.5 Work continues to implement changes to legislation, infrastructure, processes and procedures so that the Bailiwick can comply with the UK-EU Trade and Co-Operation Agreement (TCA) and the UK-Bailiwick Customs Arrangement.
- 4.6 A Channel Islands team has been established using existing resources to commence negotiations on the VAT Protocol with the EU. A timeframe and structure for the negotiations will need to be agreed during 2022. It remains of critical importance to Guernsey's international reputation that it continues to respond to changing international tax standards. Guernsey still plays an active role in the OECD work on Pillars 1 and 2, including participation in OECD technical meetings to develop model agreements, commentary, and detailed implementation plans. As more information emerges from the OECD, further work will be required to understand the full implications of the proposals and make recommendations on Guernsey's response.
- 4.7 Maintaining compliance with international standards on financial crime and regulation remains a priority. A critical focus for the next 12 months will be concluding preparations for the upcoming MONEYVAL assessment.
- 4.8 In June 2019 the States agreed to investigate and, if possible, negotiate a reciprocal health agreement with the UK Government. Despite some delays, primarily due to the impact of the COVID-19 pandemic, good progress has been made. Negotiations to finalise the detail are anticipated to conclude before the end of 2022, after which an implementation date will be confirmed.

Priority 3 – Delivering Recovery Actions

- 4.9 Every effort has been made to maintain resource levels to support the 2021 top ten recovery actions; progress actions already in train; and commence a carefully selected but limited number of new strategic reviews such as the Justice Review Framework and Primary Care Review.
- 4.10 Committees have also been able to make progress on the other work the States had phased for year one of the GWP, using their existing resources with funding provided and agreed through the Funding & Investment Plan and 2022 Budget. A summary of progress is set out in the monitoring report attached at Appendix 1.

Priority 4 – Reshaping Government

- 4.11 An important set of changes in how the States deliver services is being developed during this political term. This includes utilising technology, restructuring the public service and working more collaboratively with non-government partners.
- 4.12 The States have commissioned work to partners in the non-government sector across a number of areas of service delivery and continue to do so. For example this year the Committee for the Environment & Infrastructure has established a Nature Commission. This will create a partnership of government, the Guernsey Community Foundation and the significant expertise in the Island's voluntary sector to deliver the Strategy for Nature.
- 4.13 The States are now developing a consistent approach to commissioning which will enable greater collaboration with non-States partners to deliver services for the community. Working in partnership with expertise in the community will ensure services are more user-centric and focused on outcomes. The completion of an audit of commissioned services will enable further discussions on opportunities for this approach to be taken.
- 4.14 The States have undertaken a significant programme of public engagement as part of the tax review and have been exploring opportunities for operational savings. Independent analysis on corporate tax options has been commissioned to inform the decisions the States must make before the end of the year. The secondary pension proposals will also be considered by the States next month where they will be asked to appoint an on-island operator.
- 4.15 The terms of reference to review the machinery of government changes of 2016 have been published on gov.gg and proposals will be brought forward in 2023. The States have approved the new system that will usher in simultaneous electronic voting at States' Meetings. Next in this programme of work is a project to automate the electoral roll which will save recurring costs and importantly release staff resources as it is currently a resource-intensive process.

5 Government Work Plan 2022-2025: strategic aims

- 5.1 The Policy & Resources Committee is firmly of the view that the actions of government need to be focused and co-ordinated, ensuring that its limited resources are directed to deliver outcomes which:

Secure the Bailiwick's resilience:

- 5.2 Through recognising and responding to external opportunities and risks, by agreeing the Island's future population policy; by securing energy resilience; by taking steps to mitigate climate change; and by supporting critical infrastructure initiatives.

Maximise the community's collective potential:

- 5.3 Through addressing the barriers which may lead to avoidable, unfair and ultimately costly differences in islanders' experiences, opportunities and ability to participate in island life. This means taking a prioritised approach to social (including all forms of justice), cultural, political, economic, commercial and environmental factors which affect islanders, and which can cumulatively affect not only their individual health and wellbeing (the wider determinants of health) but the health, productivity and success of the community as a whole.
- 5.4 If targeted improvements can be made to the conditions in which islanders are born, grow, learn, live, work, and age, then over time it will unlock social and economic benefits. This includes considering the affordability, accessibility and quality of housing; supporting islanders' skills and development; improving living standards; and the accessibility, affordability and focus of public services.

Ensuring we are competitive as an economy:

- 5.5 Through enhanced connectivity, both digital and transport; and through increased productivity enabled by the development of skills and lifelong learning, enhanced participation in the workforce, and supporting migration where it enables those goals. In addition, we will continue to maximise the opportunities post-Brexit through trade agreements as well as meeting international standards and norms.

Engagement feedback from States' Members

- 5.6 A survey of States' Members resulted in 88% of respondents supporting or partly supporting the strategic direction seeking to build resilience to instil confidence in the Island for islanders and businesses. Where respondents were not in full support, reasons provided by more than one States Member included a preference for an overt economic focus over social or environment issues and a

concern over a lack of specific strategic aims.

- 5.7 The need to develop clearer strategic aims is acknowledged. The starting point for the GWP was to accept it would be more operational in nature initially, while we learned to live responsibly with COVID-19. It was developed to 're-set' how the States managed their business; to improve the alignment of human and financial resources across all areas of government's responsibility; to instil discipline in how and when Committees brought forward policies to the States; and to ensure that the States led the process by considering the Island needed.
- 5.8 The Committee believes that the discipline of the GWP will become an important tool in government cost control. It is the closest yet that the States has come to achieving a costed and affordable plan in which all the significant actions of government are co-ordinated. The States are moving to a point where they will be managing their up-coming policy decisions and the implementation of all previous decisions, annually, and in a prioritised fashion. This is the transitional political term but already the benefits are visible with a decreasing list of extant Resolutions and more achievable list of legislative drafting. The States are informed and able to consider and prioritise the resources required to conclude, implement and monitor the decisions they make. This means that the GWP can be an important tool to constrain the growth of government services and thereby support greater financial discipline across the Committees of the States and on behalf of taxpayers.

6 Government Work Plan 2022 – Refresh Principles

- 6.1 Conceived to organise work handed over by previous Assemblies, in the context of recovery from a pandemic and the impact of Brexit and addressing the work the new Assembly wished to deliver, the Policy & Resources Committee is assured that generally the top ten actions have been progressing well.
- 6.2 The limitations imposed by operating with constrained resource and funding when tackling both critical domestic issues and responding to global pressures have, however, led to frustrations in delivery of the wider GWP framework and some activity is unavoidably slower than is desirable. The Committees of the States must service their full mandate which is broader than just policy development and have had to prioritise their resources accordingly.
- 6.3 Neither are the States immune to the difficulties experienced in the wider economy with respect to staff recruitment and retention, with the reduction in working population and pressures on housing and the increasing cost of living. It is therefore even more important that the Committees of the States combine to focus their energies on the priority actions as directed by the Assembly.

Table 1: Action categories and recommendations

CATEGORY	DESCRIPTION	RECOMMENDATIONS	
		SUGGESTED RESOURCING	SUGGESTED PHASING
Category 1 – Priority Actions	Actions which have been identified as priorities for the 2022-2023 period and which need to be delivered to meet major challenges or take-up time sensitive opportunities.	Resource as a priority.	Phase 1: Start/continue in the 2022-2023 period
Category 2 – Actions in train	Actions which have started and have funding allocated (although not necessarily human resource).	Resource as far as possible considering priority actions.	Phase 1: Start/continue in the 2022-2023 period
Category 3 – Action scoped but not yet started	Actions where the work required for delivery has been scoped but which have not yet started	Consider for resource prioritisation in the context of higher category actions.	Phase 2: Commence within this term if/when possible.
Category 4 – Actions not yet scoped	Actions which have been identified but the work involved is not yet known.	No resource at present – sponsoring Committee may scope action further and submit to 2023 GWP refresh for resource allocation.	Phase 3: Do not commence this term. Consider for next term.
Category 5 – actions no longer required in the GWP	Actions which have been completed or superseded or which are no longer required.	No resourcing required.	No work will be undertaken.

6.4 The Committee believes that where time and money have been invested, that work should be completed unless there are evident reasons to the contrary. New work developing services or introducing legislation should be well understood and planned by the sponsoring Committee. It will be prioritised and resourced by the States after they evaluate competing recommendations annually from their Committees charged with advising on legislative, policy and service requirements that require a decision by the States.

6.5 The Policy & Resources Committee has now also applied a criteria (table 1) whereby generally if the action has not been scoped adequately it has not been prioritised or put forward to be considered for resourcing by the States. Policy development, new legislation and investment in service changes are no different

in this regard to capital investment, and instilling this discipline when resources are constrained would appear to the Committee to be the most appropriate approach at this time.

Engagement feedback from States' Members

6.6 The following principles were explored with States' Members:

- Completing to implementation the 2021 top ten actions;
- Introducing appropriate priority actions; and
- Re-phasing other actions to better match available resource within the current people and funding envelope, which may include making recommendations for some actions to be deferred until the next political term.

6.7 82% of respondents supported or partly supported these principles. Where respondents were not in full support, some States' Members suggested that the current resource envelope was not sufficient whilst others indicated that the 2021 actions did not represent their ideal starting point.

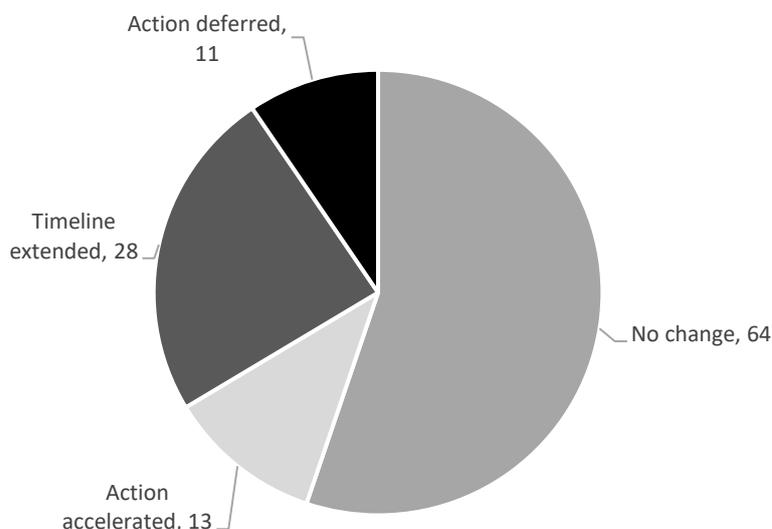
6.8 The Committee agrees that there are resource limitations in all areas of government which is why annually the States have to direct their Committees on the most important actions and instruct them to resource them as a priority.

6.9 Some respondents to the survey indicated that the 2021 top ten actions did not represent their ideal starting point, however the Committee notes that they were carried by 35 votes by the Assembly. Those not yet completed are on track to be considered by the States this year, and therefore the Committee does not, on balance, believe now is the time to divert.

7 Government Work Plan 2022 – Committee Priorities

7.1 The Committee has led on actively seeking the views of Committees through officer-facilitated workshops in Q1 of this year. The Committees of the States have advised their priorities to support their service delivery; meet the States' strategic outcomes; and discharge the previous directions of the States as set out by Resolution (Appendix 5). In the majority of cases, where work is not complete, these remain those set out in the GWP 2021 framework, with some amendment to timeframes. The Committee provides some observations at Appendix 6 to assist the States consider the context of this work.

Chart 1: Active 2021 actions – phasing changes



7.2 Many Committees are impacted operationally by the pressure on the housing market and without doubt it is equally impacting both the community and the economy. The Policy & Resources Committee considers the supply of housing to be the most pressing domestic issue.

7.3 In spring 2021 the Housing Action Group (HAG) was established for 12 months (until June 2022) in order to provide critical housing issues with greater focus, impetus and delivery co-ordination. The work of HAG has helped to catalyse or deliver a number of positive outcomes at an accelerated pace, including:

- The purchase of the Kenilworth Vinery site;
- Identification of land for new development and in-fill development;
- Identification of the current pipeline of development and the barriers to some of those development projects;
- Acceleration of Guernsey Housing Association (GHA) schemes to support social housing; and
- The identification and prioritisation of the next stages of work that are needed.

7.4 In addition to this, the Committee *for* Employment & Social Security and the Policy & Resources Committee have continued to progress work exploring options for the States on the transfer of the States of Guernsey’s social housing stock to the GHA.

7.5 The work on housing matters that will be undertaken during the remainder of the political term is:

- Market intervention project (including partial ownership schemes) – currently in start-up phase, the Committee *for the Environment & Infrastructure* will lead on implementation of approved schemes or where needed will seek States’ approval through 2022-23, working with others where mandates are engaged;
- States Strategic Housing Indicator – work on policy letter for later in 2022 and implementation of the States’ Resolutions; the lead is Committee *for the Environment & Infrastructure*;
- Potential transfer of States social housing stock to the GHA – ongoing through Committee *for Employment & Social Security* with the Policy & Resources Committee;
- Implementation of the General Housing Law in respect of housing standards through to 2024; the lead is Committee *for the Environment & Infrastructure*.
- Affordable housing development programme (including the ongoing work in the implementation of the affordable housing indicator) – ongoing work led by the Committee *for Employment & Social Security*, supported by the Policy & Resources Committee, and delivered by the GHA;
- Key worker housing – specific work, in addition to the other activity within the housing workstream that increases housing provision, which commences in early 2023 with the aim of having a report and recommendations to States in Q4 2023; the lead is Committee *for the Environment & Infrastructure*; and
- Review of accommodation for use in emergency circumstances – to be completed in 2023 for implementation of recommendations from 2024; the lead is the Committee *for Employment & Social Security*.

7.6 The Policy & Resources Committee has consistently allocated additional resource to housing matters and continues to do so. While the timescales are challenging, the Committee’s view is that if additional resource is needed to keep on schedule, this should be redeployed from other areas given the political and community acknowledgment that this is the Island’s main domestic priority.

7.7 Notwithstanding, the Committee agrees that this work must be phased due to resource limitations. It also needs to be phased in order to respond to, and be developed alongside, other areas of work, such as the Population and Immigration Review and the Skills and Human Capital Development Plan.

8 The Assembly's priorities for the next twelve months

- 8.1 In the past 12 months, immediate investment in the finance sector has been delivered, as were significant decisions to invest in digital connectivity to secure Island-wide ubiquitous provision within five years and invest in the re-organisation of secondary and post-16 education. The digital infrastructure programme is in delivery through the States' critical network infrastructure partner. The education programme has just recently confirmed an extension to its delivery timeframe in response to risks to the programme impacting students. Both programmes of work are monitored and reported through the Delivery Portfolio and the specific actions are now closed within the definition of the GWP 2021 top ten actions.
- 8.2 With an air policy framework agreed and guiding further work by the States, and with discussions ongoing with Condor, the Ports of Jersey and the Government of Jersey on a long-term operating agreement, the associated ro-ro licensing legislation being prepared, and the States to receive a business case from the Committee *for* Economic Development considering the proposals to extend the Guernsey airport runway, the Policy & Resources Committee considers transport connectivity and infrastructure policy has been developed, agreed and is now being implemented to such an extent that the focus of the Assembly's Plan for the next twelve months can be refreshed.
- 8.3 The States must take a prioritised approach to social, cultural, political, economic, commercial and environmental factors which impact islanders but the health, productivity and success of the community and economy as a whole.
- 8.4 This means that a continued focus on housing, the conclusion of policy determination on population and immigration, and investment in skills all remain urgent. A determined emphasis now on energy security, climate change mitigation and adaptations, and the wider determinants of health such as living standards will provide the foundations for a thriving and sustainable community and economy.
- 8.5 Having considered the advice of the Committees of the States and consulted States' Members, and in its capacity to co-ordinate the work of the States, the Policy & Resources Committee must advise the States to consider a number of factors as they decide their priority actions for 2022. This includes progress to date: resource capacity; current income and expenditure; local and global context; and acknowledge that decisions have yet to be made to secure the future levels of income necessary for the States to maintain current services and infrastructure investment.

8.6 Most important to the community, industry and government is the provision of accommodation that meets the needs of islanders. The Committee is bringing its resource and focus to bear on this critical issue and will assist the Committee *for the Environment & Infrastructure* in its efforts to stimulate the market and the Committee *for Employment & Social Security* as it works to secure the range of suitable tenure properties for social needs.

8.7 The States are invited to agree their priority actions from the maximum that can reasonably be delivered in the coming year as set out in the Propositions and in Appendix 7.

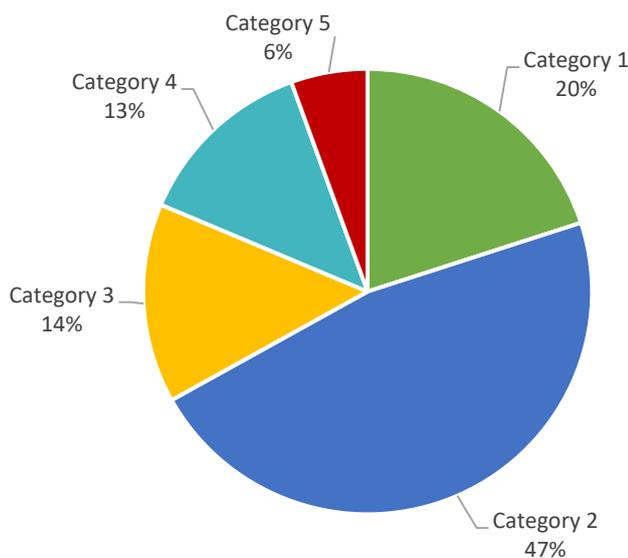
9 Phasing remaining work for this political term

9.1 The Policy & Resources Committee is optimistic that, subject to future Variants of Concern successfully being managed by the vaccination programme, States resources can increasingly return to planned business of government.

9.2 The Committee has taken the opportunity of the first refresh of the GWP and a faster than forecast economic bounce back to consider carefully how to move forward given the future funding of the current level of government services remains undetermined.

9.3 The Committee intends that its new categorisation of actions in the framework will assist in transparently presenting to the community what is being worked on and what has been identified for the future, subject to resource and funding requirements, and the costs and benefits, of the potential proposals.

Chart 2: Distribution of action between categories in GWP 2022



- 9.4 There remains a lot of active work, as illustrated in chart 2, which is to be expected but when considered against the reducing volumes of extant Resolutions and drafting requirements, this suggests an improving picture moving forward as an increasingly efficient government. Data collated annually for the longer-term impact monitoring will, in time, provide an indicator of effectiveness.

10 Funding the Priorities – Funding & Investment Plan Update

- 10.1 Following a strong financial performance in 2021 and changes to priorities and actions in the GWP, the Funding & Investment Plan has been updated (Appendix 8). This is a high-level interim update on the five-year financial framework.
- 10.2 The income and expenditure position for 2021 was some £61m better than the estimates included in the Funding & Investment Plan. This, together with a slower rate of investment in infrastructure throughout 2021, meant the balance on the General Reserve was significantly higher than expected throughout the year. Therefore, with higher than anticipated investment returns, this has resulted in an improvement in investment income of approximately £28m which can be added to the overall result.
- 10.3 Together these factors have significantly improved the balance on reserves and uplifted the baseline position for some revenues, notably income tax. Given this improved position, the cumulative projections for 2022 to 2025 have improved by circa £68m. This is due to improvement to income and investment return forecasts, partly offset by forecast increases in expenditure on GWP actions and lower levels of savings overall due to delays in their delivery. This improvement has also been offset by an estimated increased cost of capital and transformation programmes totalling £13m.
- 10.4 Overall, the improvements mean that there is now unlikely to be a need for any new external borrowing in this term to fund the capital portfolio. This is an excellent result which has been driven in large part by the faster recovery in 2021. However, execution of the GWP will still result in the majority of the States' financial reserves being exhausted over the remainder of this term.
- 10.5 The revised projections indicate a surplus before capital expenditure over the Plan period which will fall from £25m in 2022 to £5m by 2025. The shrinking surplus comes about because of the demand pressures on public service expenditure, particularly in relation to health and care services, coupled with strain on revenues as a result of a reduction in the working population and the introduction of secondary pensions.
- 10.6 These small surpluses are not sufficient to fund the necessary investment in island infrastructure. They are too small even to fund the everyday replacement

of equipment and vehicles, renewal of roads and investment in property assets, classed as Minor Capital.

- 10.7 The underlying position remains a structural deficit beyond this term which, for General Revenue, is estimated to be approximately £50m when the long-term infrastructure funding needs are factored in. In addition, the States are running a deficit on the social security schemes, in particular the States' pension, which have a long-term funding requirement of £34m a year. Therefore, the overall structural deficit remains in line with previous forecasts of £80-90m.
- 10.8 The investment return on the reserves supports capital investment and makes the Plan affordable without any new borrowing in this term. However, the level of return can be volatile (as seen by the movement in investment markets in the first quarter of 2022) and cannot be relied on to support future expenditure since the reserves are being spent to support delivery of this Plan.

11 Discharge of extant States' Resolutions & legislative drafting prioritisation

Extant States' Resolutions

- 11.1 As reported in the 2021 GWP there were 405 extant States' Resolutions with the expectation that at least 100 were likely to be discharged through the delivery of the actions in the GWP going forward. The States also resolved to rescind a small number which were either superseded or no longer valid.
- 11.2 The recent GWP refresh process further updated the scope of the government's workload in terms of its extant Resolutions. This is an important element to understanding the priority Committees place on discharging Resolutions and their capacity to do so alongside new areas of policy and service development they wish to explore, especially within the current context of stretched financial and human resources.
- 11.3 An additional 100 Resolutions resulted from States' Meetings between July 2021 and April 2022, and with 367 extant Resolutions as at the end of April 2022, the total number has reduced by 131 over this time period. This demonstrates the importance of targeted resourcing.
- 11.4 The refresh process also identified 11 Resolutions that are proposed for rescission as generally they have been superseded by subsequent decisions. A full list of Resolutions proposed for rescission is at Appendix 9.
- 11.5 If these proposed rescissions are agreed by the States, the total number of extant Resolutions will be 356, with the majority of these to be discharged by GWP-related actions as shown in the table 2 below.

Table 2: Extant Resolutions status summary

Number of Resolutions as at July 2021	405
Number of Resolutions rescinded in 2021 GWP policy letter	12 (5 were then replaced)
New Resolutions between July 2021 – April 2022	100
Resolutions discharged between July 2021 – April 2022	131
Rescissions proposed in 2022 GWP	11
Resolutions phased in 2022-25 GWP	258
Resolutions not prioritised (by year below)	109
	2022 3
	2021 36
	2020 23
	2019 7
	2018 10
	2017 3
	2016 9
	2015 7
	2014 3
	2012 1
	2011 3
	2007 1
	2006 2
	2003 1

Legislative drafting

- 11.6 Since June 2021 there has been significant progress in respect of outstanding Resolutions of the States mandating the preparation of legislation. Just in the area of financial services and regulation, drafts have been prepared for a new Lending, Credit and Finance Law, as well as legislation providing for limited liability companies and the use of money in dormant bank accounts; important amendments to competition legislation have gone out for consultation; and the final Ordinances of the comprehensive law revision project relating to the regulation of financial services have been enacted.
- 11.7 Legislation has continued to be drafted for bodies other than the States, primarily the States of Alderney and the Chief Pleas of Sark (including the introduction of legislation regulating partnerships and limited partnerships in Alderney, and land reform and compulsory purchase legislation in Sark) and also other public bodies such as the Alderney Gambling Control Commission. The small team of legislation drafters at St. James’s Chambers continues to balance

the demands of the States effectively with the demands of the other Bailiwick legislatures and bodies that it serves. The list of completed legislative drafting since June 2021 is in Appendix 10.

- 11.8 The introduction of the GWP has had several positive impacts on the progress of legislative drafting for the States. It has added rigour and simplicity to the prioritisation process for the drafting of legislation, making it simpler to make and justify prioritisation decisions by reference to the Plan, and making it easier to assess when to treat a new Resolution as high or medium priority before its formal consideration by the Prioritisation of Legislation Working Group and the Policy & Resources Committee.
- 11.9 The GWP has facilitated more targeted additional policy officer support to Committees in areas where it is most needed to facilitate the finalisation of draft legislation. Drafting legislation is typically an iterative process involving multiple exchanges between officer and drafter. It is not widely appreciated that the pace of drafting of legislation in Guernsey relies heavily on the capacity in Committees to prepare instructions on points raised by the drafter or provide comments in a timely fashion on draft provisions. The focus on GWP priorities in the preparation of legislation, and the ongoing dialogue between St. James's Chambers and officers working to the Policy & Resources Committee, have allowed resources to be provided to support these matters more swiftly than might otherwise have been the case and so more efficiently finalise the legislation drafts.
- 11.10 As has been the case for many areas of government, including from the perspective of drafting, the broader requirements of the GWP have had to be balanced since its introduction with the more immediate drafting and advisory demands of the States' response to the COVID-19 pandemic. In anticipation that those demands are now largely passed, going forward there can be a renewed focus on agreed strategic priorities, while recognising that unexpected, urgent work is always a possibility and must be catered for (as the invasion of Ukraine and the subsequent drafting of new sanctions provisions has shown).
- 11.11 Drafting pressures to be accommodated in the next 12 to 18 months include the preparation of the remaining legislation needed for the Bailiwick's audit by MONEYVAL and provisions required for the implementation of new post-Brexit trade arrangements. The full list of prioritised legislation is set out in Appendix 2.

12 Compliance with Rule 4

- 12.1 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.
- 12.2 In accordance with Rule 4(1):

- a) The Propositions contribute to the States' objectives and policy plans by discharging the policy planning requirement set out in Rule 23 of The Rules of Procedure of the States of Deliberation and their Committees.
- b) In preparing the Propositions, consultation has been undertaken with all Principal Committees and all States' Members.
- c) The Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.
- d) The financial implications to the States of carrying the proposal into effect are detailed within the body of the Policy Letter and at Appendix 8.

12.3 In accordance with Rule 4(2):

- a) The Propositions relate to the Committee's mandate to co-ordinate the States' strategic planning process.
- b) The Policy & Resources Committee, pursuant to its mandate to coordinate the work and priorities of the States of Deliberation, unanimously puts forward the top recovery actions as representing those priorities presented to it by States Members and Committees in the development of the refreshed Government Work Plan 2022. The Committee, however is not unanimous in its agreement that all the actions listed in category one should be priority recovery actions when compared to other pressing issues and priorities, and as such this should not be seen as priority recovery actions of the Policy & Resources Committee.

Yours faithfully

P T R Ferbrache
President

H J R Soulsby MBE
Vice President

M A J Helyar
J P Le Tocq
D J Mahoney