



STATES OF ALDERNEY  
States Office, PO Box 1001, Alderney, Channel Islands GY9 3AA

Dear Resident

### **Consultation – Proposed changes to the way the States is governed**

We are writing to you to ask for your views on some proposed changes that we have identified to improve the way that our government works.

Earlier this year, the Policy and Finance Committee set up a small Governance Committee to consider views and improvements expressed previously and suggest some potential changes to the way the island is governed. The paper attached to this letter summarises these changes. They are designed to:

- Streamline decision making processes;
- Improve political challenge and debate;
- Identify clear priorities so that we focus most of our effort in those areas;
- Add stability to the political structures, including our links with Guernsey; and
- Enhance openness and transparency to States work.

Our view is that these reforms, based as they are on the existing committee form of Government, would lead to important improvements. They can also be implemented by the States with limited external assistance, and in a timely and cost-effective way.

There are, of course, other wider and more radical reforms that may be considered and adopted at some point in the future. These would have more significant cost implications and may require external support. This consultation paper does not address these options.

A response form is included within the attached document. Please take the opportunity to provide us with feedback on each of the consultation questions. We have also provided a separate space to allow you to enter any other comments that you feel appropriate. These might, for example, include any ideas you might have for wider reform.

Please return the form to Island Hall by **30 September 2017**. The returns will then be analysed with a view to recommendations for debate by the States for in December 2017.

Yours sincerely

**Stuart Trought**  
President

**James Dent**  
Policy and Finance Committee Chairman

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Consultation Paper

# REVIEW OF GOVERNANCE



States of Alderney

Governance Committee

August 2017

# Review of Governance

## Introduction and purpose of consultation

1. Governance arrangements in Alderney have been reviewed by third parties in recent years and a series of recommendations for change and improvement have been proposed. Whilst many of these recommendations have been accepted by States Members and other stakeholders at the time, little has changed.
2. Barriers to change include capacity of States Members and civil servants, affordability, political continuity and complexity but consensus remains that change is required.
3. In January 2017, the Policy and Finance Committee agreed to establish a sub-committee referred to as the Governance Committee with a mandate to consider next steps in the context of the previous reviews and it was subsequently agreed that the outputs and proposals emerging from this committee be presented for consultation with the community.
4. This paper therefore represents a summary from the Governance Committee of a number of the key themes and issues considered in previous reviews. It reflects a proposed change programme that is:
  - proportionate;
  - realistic;
  - affordable;
  - deliverable in the short-term using existing capacity; and
  - capable of delivering sustainable improvement.
5. Views are being sought from all Members of States at the same time as from the wider community. All the views will be collated and reported back to the Policy & Finance Committee for it to submit proposals for debate in the States later this year.

## Background and context

6. The independent external reviews which remain most relevant today are:
  - Alderney's Choices – Constitution Unit, University College London (UCL) (August 2016);
  - Organisational Assessment and Improvement – Stephen Taylor (December 2012).
7. Both above reports were considered in depth by States Members at the time and the UCL report was presented at a public meeting in Autumn 2016. The reports address different areas, the Taylor report focusing largely on capacity and management within the organisation to deliver States objectives, and the UCL report on how the Island is governed. However, there are areas of overlap and resonance between both reports.
8. The issues for consultation are presented below with a summary of the current position and the proposals for change.

## Issue 1: Lack of effective scrutiny

9. Democracies in the developed world are characterised by a scrutiny function at different levels of government designed to hold decision makers to account. Effective scrutiny is designed to deliver better outcomes through challenge and debate which promotes inclusive and robust decision making. Such a model is not evident in Alderney where all 10 States Members (NB: 1 recent resignation) routinely sit on the Policy and Finance Committee which is the principal decision making group.
10. A Scrutiny Committee or Panel in such a model would be inappropriate as decision makers would be challenging their own decisions. In the absence of this, decisions made by the Policy and Finance Committee are not subject to any structured scrutiny process.
11. Furthermore, as all States Members have previously participated in debates at Policy and Finance Committee, this often predetermines the outcome of the debate on key matters and policy proposals at the States meeting. It is acknowledged that individual States Members can vote differently following debate at the States but it is rare for the direction of the overall vote from Policy and Finance Committee to change. As a result, the States meeting, which provides the forum for open public debate is not used effectively, as the detailed debate and challenge has already taken place in closed session at Policy and Finance Committee.
12. As noted above, the Policy and Finance Committee in recent years has included all 10 States Members. An attempt at streamlining to 5 was introduced following a recommendation in the Taylor report, but this only lasted for a short period.
13. A private member's motion (a Requete), also proposing such a change was considered, but not approved, by the States in May 2017. One of the arguments made in debate was that any change to government structures and procedures should only take place as part of a wider review of the nature of this consultation paper and not dealt with as an isolated proposal.
14. The Governance Committee, having weighed up evidence of the previous reports and a practical assessment of current processes is of the firm view that a streamlined Policy and Finance Committee is a pre-requisite for effective scrutiny. This would move the debate on key issues from the Committee to the States meeting where existing Rules of Procedure on questions and amendments should be used to ensure proper debate in the public forum.
15. To develop an effective model of scrutiny, the emphasis must be accountability and adding value through challenge and debate and not using it as a mechanism to block decision making. It is recommended that guidance and support be provided to new and continuing States Members on:
  - How to make best use of debating opportunities in States meetings; and
  - How to challenge, question and assess policies and decisions in a constructive and efficient manner.

### *Proposals for consultation*

- 1. With effect from 1 January 2018, the Policy and Finance Committee to be reduced to five members with an open invitation for any other States Member to attend as observer unless matters are confidential.*
- 2. States meetings should be used to debate, challenge and scrutinise policy proposals and matters referred from the Policy and Finance Committee through effective use of established Rules of Procedure.*
- 3. Guidance and support on effective scrutiny to be provided to new and continuing States Members.*

### Issue 2: Vision and Strategy

16. The Taylor report of 2012 highlighted the lack of a shared vision for Alderney and no strategy setting out how the States proposed to address the underlying needs and promote the economic, social and environmental well-being of the Island.
17. There were attempts to address this in 2013 by agreeing a series of strategic priorities but these are now out of date and require refreshing to reflect current challenges. Once agreed, it is essential that these priorities drive the agenda of the States with clear links to a medium term financial plan and budget, and supported by a proportionate business planning process to focus on the actions required to achieve outcomes.
18. In the absence of this, the Policy and Finance Committee often deals with too many competing issues which have not been specified as priorities and there is a lack of clarity as to how these fit in with the vision of where Alderney wants to be in the medium term.
19. As a result, the limited time available to States Members and civil servants can be taken up by peripheral issues, operational minutiae and revisiting debates that do not contribute meaningfully to the community. The Governance Committee feels that this is not an efficient way of government working.
20. To address this, the Committee recommends there be a regular review and reaffirmation of the States strategic priorities and business plan. Committees need to focus on delivering the commitments made in the business plan and resist the natural tendency to focus on whatever the hot topic of the day may be.
21. The Committee considers that the strategic priorities, linked to the medium term financial plan should be formally reviewed by the States every June or July, with a major overhaul every four years, following an election year. This will enable the States and the community to focus on those matters that are in the long term best interests of Alderney.

#### *Proposals for consultation*

4. *The States should agree a shared vision for the next 4 years together with a series of high level objectives. These should be translated into a business plan with measurable outcomes which will provide the basis for the States business agenda.*
5. *The business plan should be reaffirmed by the States annually and subject to a full review and debate every four years, in the year following an election.*
6. *The Policy and Finance Committee agenda should be reviewed to focus on strategic priorities with delegation of routine operational matters to the civil service.*

#### Issue 3: Remuneration of States Members

22. Serving as a States Member, particularly certain chairmanship roles, requires a significant time commitment. This can make it difficult for individuals of working age who wish to serve their community but also need to earn a living.
23. The Governance Committee recognises that the time commitment combined with the low remuneration, creates a barrier to becoming a States Member for those who do not have sufficient alternative source of income such as pensions or investments.
24. It is recognised that determining a fair remuneration for politicians brings out mixed views. However the Committee does not believe the matter can be ignored. It considers there would be merit in seeking external guidance on what would be fair and reasonable remuneration.

#### *Proposal for consultation*

7. *There should be an external review of the remuneration of States Members.*

#### Issue 4: Political stability

25. Given the strong relationship with the States of Guernsey, and the merits of building greater stability and continuity the Governance Committee is of the view that the four-year political term for States Members should be changed to align with the election period in Guernsey. It was considered this would reduce the perception in each Island of politicians constantly changing.
26. It is also noted that the 2016 Alderney general election led to an extended period of political inactivity between early November and the latter part of January. This is however not unusual, nor unique to Alderney, but it is also acknowledged that in the months leading up to any election, a number of politicians and prospective politicians understandably tend to focus on those issues which may affect their success at the ballot box. Inevitably this means there is little desire to deal with difficult, contentious and potentially unpopular decisions, in the months prior to the election.

27. Immediately after the election, which under the Government of Alderney law can be as early as 14 November, the motivation of sitting States Members, who have not been re-elected, may be seen to wane. Furthermore, where committee meetings can be convened in the last six weeks of the year, States Members may be reluctant to make any decision which binds the committee which will take over in the following year.
28. The committee elections take place in the first meeting of the States in the following year, but because of the need for new members to be briefed on the issues and topics under consideration, the committee system is not fully functioning until the end of January or early February. The combination of these factors means that the level of effective challenge and willingness to take difficult decisions can potentially be diminished for 4-6 months in each two-year election cycle.
29. To this complication needs to be added the four yearly elections cycle in Guernsey, where it too experiences the pre-and post-election hiatus. Certain Alderney related matters such as approval of significant expenditure requires referral to the States of Guernsey, or one of its committees. As the timing of the Guernsey elections does not coincide with Alderney's, it can be appreciated that in a four-year term there can easily be well over 12 months of sub optimal functioning of the governments of Alderney and Guernsey. This does not make for efficient and effective government.
30. Examining further the need for a strong and positive relationship with Guernsey, the annual election of committee Chairs also reduces continuity and the personal trust which can build up between Alderney committees as well as Guernsey counterparts. The view of the Committee is that there is considerable value and effectiveness to be achieved through greater stability and longer term political relationships both internally and externally.
31. As an interim measure to address this, the Governance Committee recommends that all reasonable efforts be made to hold the Alderney general elections towards the end of the period defined in the Government of Alderney Law i.e. closer to 14<sup>th</sup> December.
32. It is further proposing that a mechanism be introduced whereby the chairmanship of committees is not automatically debated by the States every January, but instead the expectation being that a chair would be appointed for two years. This would be subject to some flexibility if other States Members were not content with performance.



### *Proposals for consultation*

8. *Under the current rules the polling day for general elections should be held as late as practicable in the two-year cycle.*
9. *The Law be amended to align the dates of general elections closer to those for the States of Guernsey.*
10. *Consideration be given to holding elections once every four years instead of two as at present.*
11. *From 2018, Committee chairs should be appointed for a term of two years to provide more stability and continuity.*

### Issue 5: Alderney representatives in the States of Guernsey

33. The Governance Committee has reviewed the role of Alderney representatives in the States of Guernsey who are currently appointed by plebiscite. The Committee noted that the plebiscite arrangement had been introduced as a trial.
34. From time to time, issues debated by the States of Guernsey will require an Alderney perspective. As a general rule, it is important that both the States of Alderney and the States of Guernsey have confidence that the views expressed by the Alderney representatives on key issues reflect the majority view of the States of Alderney. This does not detract from the function of an Alderney representative contributing their own views and making decisions when voting on other propositions in the States of Guernsey.
35. The Committee recommends that the 'Alderney view' in the States of Guernsey should wherever practical be delivered by the Alderney Representatives elected by the States of Alderney as follows:
  - i) one States Member elected, after taking into account the views of the community expressed through a Plebiscite vote; and
  - ii) one other States Member;
  - iii) two States Members to serve as alternate representatives; and
  - iv) that at least one of the regular Representatives should be a member of the Policy and Finance Committee, or nominated to attend those Committee meetings as an observer on a regular basis.

*Proposals for consultation*

12. *Two representatives to be elected in accordance with the Government of Alderney Law to represent the majority view of the Members of the States of Alderney in the States of Guernsey on relevant issues. To be elected in future as follows:*
- i) One selected by plebiscite and subsequently appointed by the States; and*
  - ii) One other to be elected by the States.*
13. *At least one of the two representatives to the States of Guernsey to attend Policy and Finance Committee as a full member, or observer if not elected to the Committee.*

**Issue 6: Openness and Transparency**

36. The UCL report encouraged a culture of openness and transparency and the Governance Committee supports this.
37. Recent initiatives include timely publication of committee resolutions and trialling open planning meetings. These are alongside existing mechanisms of Chief Pleas, the People's Meetings, agenda publication and the general ongoing interaction of States Members in the community.
38. With such interaction it is important to have clear distinctions between formal proceedings and meetings of the States and the more interactive, and less formal, opportunities for dialogue between the electorate and States Members, where the views expressed by Members may reflect their personal opinions.
39. The Committee recognises that more can always be done and proposes that external advisory reports should be made public at the earliest opportunity unless there are commercial or personal sensitivities.
40. Furthermore, whilst the Committee believes that freedom of information legislation would not be proportionate, it does agree that there is merit in reviewing the cost benefit analysis of a timely information release commitment, where this could be accommodated within existing resources.

*Proposals for consultation*

14. *All external advisory reports to be made available to the public subject to review for commercial and/or personal sensitivities.*
15. *There should be greater clarity between formal meetings for States business and the valuable, but less formal, opportunities for engagement between States Members and the community.*
16. *Policy and Finance Committee should consider the costs and benefits of an information release commitment where requested by a member of the public.*

**Issue 7: Ethics and conduct**

41. Both earlier independent reports addressed ethics and conducts, and the UCL report reflects on the Code of Conduct introduced in 2014 which is based on the Nolan principles of public life.
42. There is a balance to be struck between complete openness, freedom of information, and arguably a freedom to express views; and the need to respect others, recognise the need for certain matters to be dealt with sensitively, and to uphold the reputation of the States.
43. The Governance Committee acknowledges that striking this balance will never be easy. However, in the context of Alderney and the size of its government, it does not believe that increasing the breadth and depth of the rules covering Members conduct is necessarily the solution.
44. It is right that the Code of Conduct rules and process should be subject to periodic review, but not regular change. It therefore suggests these should be reviewed on a quinquennial basis, with the first such review scheduled for 2019.
45. Separately, the Committee supports the view that the Register of Member's Interests should be publicly available and include appropriate non-financial interests. Furthermore, it agrees with the UCL recommendation of an online Register of Gifts and Hospitality. This should include disclosure of external financial support over the value of £25 from benefactors in connection with the fulfilment of the role as States Member.

*Proposal for consultation*

17. *The Code of Conduct rules and procedures should be subject to a formal review every five years with the first review in 2019.*
18. *The States register of Gifts and Hospitality should be available on-line.*



## STATES OF ALDERNEY

States Office, PO Box 1001, Alderney, Channel Islands GY9 3AA