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Dear Wayne

CHARITY SECTOR MANIFESTO 2025 – POLICY & RESOURCES COMMITTEE POSITION

Further to my letter dated the 7th November 2025, and in line with the presentation I delivered at the Association of Guernsey Charities (AGC) Annual General Meeting on the 13th April 2026, please find attached the Policy & Resources Committee position on the Charity Sector Manifesto. I look forward to working with you to deliver against the asks contained within the manifesto.

I have also written to the Presidents of all the States Principal Committees encouraging them to adopt the same position as the Policy & Resources Committee on the manifesto, both at summary and detail level. I have asked each Committee to respond setting out their position on the manifesto by no later than the 31st July 2026. The Director of Commissioning will then summarise the Committee responses and share that summary with the AGC for information and further discussion.

Yours sincerely

Deputy Steve Falla
Commissioning and Charity Sector Lead
Policy & Resources Committee

The Policy & Resources Committee response to the Charity Sector Manifesto 2025

Ask 1 – Effective commissioning to become a strategic goal, establishing strong, collaborative partnerships.

The Policy & Resources Committee supports this manifesto ask at summary level.

This ask from the sector and the objectives sought by the Committee from effective commissioning are the same. Strong, collaborative and productive partnerships are of equal importance to both sectors.

There are some good examples of effective commissioning across the States of Guernsey. There is also some inconsistency in our approach and practices. There is more work to be done to consistently meet this request and to elevate commissioning to operate at a strategic level.

The role of the Policy & Resources Committee is to support Principal Committees to develop a commissioning mindset and to ensure that they embed effective commissioning practices into their ways of working. This includes ensuring alternative public service delivery models are considered as standard practice. The States Commissioning Team works alongside Committees and service areas to provide support and to drive improvements in this area.

The Committee has provided more information in response to the bullet points within this summary ask:

1a. Treat charities as equal partners in achieving shared community goals, valuing their expertise and capacity.

The Committee supports this request.

The two sectors have shared community goals, making cross-sector collaborative working a good strategic fit. The Committee values the expertise that the sector brings and acknowledges the capacity it has to support islanders and the community. The Committee does consider the two sectors to be equal partners, and it recognises the benefits that can be achieved for the community from working in partnership. The Committee is keen to work alongside the sector on any areas where it feels it is not treated like equal partners.

1b. Engage charities early in policy making to ensure decisions reflect real community needs and lived experience.

The Committee supports this request.

When policy making the States will fully identify the problem they seek to resolve and generally will map stakeholders where there is a relationship with the matter at hand. It is regular practice that as a consequence members of the sector are engaged meaningfully in the consultation phase of policy development. This often leads to an options appraisal which may include a future commissioned solution as a means to deliver current or new services.

When commissioning, the process commences with an assessment of the needs of the community. This exercise that better undertaken in collaboration with the sector due to the knowledge and experience they have from working closely with islanders, and the insight they have on the future support and services required.

The approach adopted is at the behest of the sponsoring committee. Where it is able, the Committee can champion the value of early engagement with the sector.

1c. Provide multi-year service level agreements with RPI-linked funding for financial stability and KPIs for accountability.

In principle, the Committee supports this request, subject to individual circumstances.

All service level agreements should have Key Performance Indicators (KPIs) that measure the outputs, outcomes and impact of the services delivered.

The length of each agreement will depend on the circumstances. An important consideration when deciding the agreement term is to ensure the provider has the stability required to establish and deliver the service effectively. This should include allowing sufficient time for the provider to refine its services based on experience, enabling continuous improvements to be delivered.

For multi-year agreements, where the same service is delivered in the same way over the term, the agreement should factor in the possible impact of inflation. The agreement should include an annual mechanism to recalculate the level of funding if the provider is able to demonstrate that inflation is impacting the cost of delivering the service, whilst also demonstrating efforts to make the service more efficient over time. One mechanism available is to link the level of funding in the agreement to a Guernsey index that measures local inflation.

Such agreements also need to reflect that context can change for either party which can impact an ongoing agreement.

1d. Co-design and produce solutions with charities to align policies with real needs.

The Committee supports this request.

Co-design to produce service and solutions for delivery is a key principle that underpins effective commissioning. In practice, this means working together to maximise the resources available to make a difference where it is most needed. There are clear and direct benefits of operating in this collaborative manner.

Ask 2 – Recognise the charitable sector’s economic and social value

The Policy & Resources Committee supports this manifesto ask at summary level.

The Committee is keen to work with the sector to better quantify the significant social value both it, and the States, deliver for Guernsey. In January 2026, the two sectors started work in partnership to explore the models that are available to measure social value. The term social value includes economic, environmental and social outcomes. The purpose of this work is to determine if there is a suitable social value model available that can be deployed across the private, public and charitable sectors.

The Committee believes a greater focus on social value will be beneficial and therefore is pleased to be working in partnership on this key area.

The Committee has provided more information in response to the bullet points within this summary ask:

2a. Regulation to be proportionate and tailored to the charitable sector.

In principle, the Committee supports this request, subject to the ongoing review project.

In 2025, the Committee commenced a project to review the regulatory landscape that the sector currently operates within. The purpose was to ensure that the regulatory regime in Guernsey is as effective and efficient as possible. This includes determining whether the requirements imposed on the sector by multiple regulators collectively represent a cohesive regulatory regime, proportionate to the risk. The findings and recommendations from this project are due to be shared with the sector in the spring 2026.

An additional workstream which was initiated separately to look at the annual returns process for the Registry, the Revenue Service and the ODPA will now be taken forward alongside the regulatory landscape project due to the clear link between the two.

2b. Acknowledge that charities often provide more efficient and cost-effective service than Government and are more nimble.

The Committee acknowledges that charities can be better placed than the States in some roles and circumstances when delivering services.

The Committee hopes, through effective commissioning and the building of capacity, that the sector is able to deliver more services (whether that be current or new service), enabling these benefits to be harnessed even further.

2c. SoG to lead by example in adopting an Employer Supported Volunteering programme similar to the UK's civil service.

In principle, the Committee supports this request, subject to the Employer Supported Volunteering (ESV) pilot.

The Committee is working with the Association of Guernsey Charities (AGC) to undertake an Employer Supported Volunteering pilot. The short pilot will involve a small number of service areas. The findings from the pilot will be used to determine whether ESV should be introduced permanently, if so, what this would look like. The Committee is grateful to the sector for supporting this pilot and its staff for their engagement. It is looking forward to receiving the findings. The Committee agrees that ESV offers benefits for the employer, the employee, the charitable sector and the island.

Ask 3 – Strengthen financial sustainability

The Policy & Resources Committee supports this manifesto ask at summary level.

The Committee recognises that, to protect the valuable contribution of charities and the critical support they provide islanders and the island, they must be financially sustainable. The Committee is keen to assist where they can within the confines of the wider financial environment that the States of Guernsey also operate within where robust business planning is in place.

The Committee hope that the collective impact of the commitments in this document, including continuing to be more effective at commissioning and the position reached on GST, will help strengthen the financial sustainability of the sector. Whilst the Committee cannot currently give a further commitment to unlocking assets and funds for charitable use, it is actively exploring what is possible in this regard and is committed to updating the sector as soon as it is able to, as stated below.

The Committee has provided more information in response to the bullet points within this summary ask:

3a. Ensure full GST exemption for charities or, as a minimum, protection from the negative impact it will have on service delivery.

The Committee supports this ask.

The Committee is grateful to the sector for its support and input into consideration of GST. In February 2026, the States of Guernsey agreed that, if GST is to form part of the tax solution that is debated and agreed in the summer, charities will have a GST exemption. The exemption would work broadly in line with the below:

- Registered charities will be exempt from GST so they will not need to charge GST on any goods or services that they sell.
- They will not need to register for GST or complete quarterly returns.
- They will have access to an online portal where they can reclaim any GST they incur on their expenses. There will be some record keeping around this.
- There will be some exceptions to this treatment, where a charity is (or could be) carrying out activities in direct competition with a commercial entity, in which case that would be treated differently.

3b. Unlock dormant assets, such as unclaimed bank deposits, escheated assets etc. for charitable use.

The Committee has actively reinvigorated work on legislation to this effect.

The Committee picked up a range of work in hand from the prior term and is working through the priority it will afford on a case-by-case basis. Tax Reform and working with the sector have been core and as the one-year anniversary nears it has been able to start considering other elements of work where the States have already given direction, and dormant accounts is one. The Committee commits to updating the sector as soon as it is able to do so.

3c. Expand tax relief and incentives to encourage greater public and corporate donations.

The Committee requires further discussion on this request to help understand it further.

Understanding how the sector would see this operate would allow an assessment of the options available and the implications of each to be undertaken, enabling the Committee to then determine if it can support this request. Such work cannot reasonably be taken forward until the States have resolved their solution to the securing of revenues. The Committee is intending to bring those proposals forward in July 2026.

3d. Give greater consideration to the specific needs and priorities of the charitable sector from the outset in all key deliberations such as the Revenue Service, the Guernsey Registry and regulatory frameworks.

The Committee supports this ask.

The Committee is keen for the States of Guernsey to work in partnership with the sector in a manner that is conscious of, and respectful to, the needs of both parties. That includes both sectors being considerate of the needs and priorities of the other at the outset of any deliberations on key policy, system and regulatory changes or workstreams etc.

Ask 4 – Enhance the value and impact of volunteering

The Policy & Resources Committee supports this manifesto ask at summary level.

The Committee recognises the positive impact and significant value that volunteers provide to islanders and the island. It is also aware of the findings from the sector ‘without us’ campaign that identified, in response to a survey, 44% of charities reported an increased difficulty in recruiting or retaining volunteers.

The Committee recognises the responsibility it has to work with the sector to help protect volunteer numbers, and where possible increase engagement, knowing that the impact of a reduction in volunteer numbers will be felt most acutely by the community. The Committee is committed to working in partnership with the sector on initiatives that will enhance the value and impact of volunteering.

The Committee has provided more information in response to the bullet points within this summary ask:

4a. Improve public and policy understanding of volunteering as a vital community asset.

The Committee supports this request.

The Committee recognises that volunteering is a vital community asset and without the valuable contribution that volunteers make, Guernsey would not be the same. It is important that the contribution that volunteers make in a wide range of areas is not underestimated, including the positive impact their contribution has on the demand for some public services. The Committee is committed to working in partnership with the sector to improve the public and policy understanding of volunteering as a vital community asset.

4b. Incentivise volunteering and charitable giving through tax benefits for businesses supporting employee engagement in charities.

The Committee understands this request currently rests with the Association of Guernsey Charities (AGC) and that an evidence bank to support the concept is being established.

When further information is provided the Committee will consider this request further.

4c. Strengthen recognition of action on volunteering and Corporate Social Responsibility as a key component in tendered and sub-contracting arrangements.

In principle, the Committee supports this request, which is linked to the work on social value.

The States Procurement Team is participating in the social value work described above. The team is supportive of including social value in the tender evaluation process when selecting suppliers and awarding contracts, providing the right social value model can be found. This would provide a mechanism for tenderers to demonstrate, and be evaluated on, the social value they provide the Bailiwick, including in areas like Corporate Social Responsibility (CSR) and volunteering. This should strengthen the importance suppliers and businesses attach to investing in such activities.

ENDS