

**THE STATES OF DELIBERATION**  
**of the**  
**ISLAND OF GUERNSEY**

19<sup>th</sup> March, 2025

**Proposition No. P.2025/25**

**STATES' TRADING SUPERVISORY BOARD**

**INCORPORATING OUR TRADING BUSINESSES**

**SURSIS MOTIVÉ**

Proposed by: Deputy R Murray

Seconded by: Deputy J Le Tocq

To sursis the Propositions and to direct the States' Trading Supervisory Board to return to the Assembly at the earliest possible opportunity after;

- i. Having undertaken a full assessment of the impact, on the States of Guernsey, the States Trading Group, and islanders, of incorporating Guernsey Water, Guernsey Ports and States Works in partnership with the Policy & Resources Committee and in consultation with other interested parties; and
- ii. Having updated the proposals for incorporation or otherwise, including having provided the results of the above assessment to States Members.

**Rule 4(1) Information**

- a) The above Propositions contribute to the States' objectives for a robust and resilient public sector by helping to ensure public money and resources are used effectively and to good governance in discharging the States' objectives by ensuring the States has an adequate evidence base on which to come to a decision.
- b) In preparing the Proposition there has been no specific consultation with stakeholders or the States' Trading Supervisory Board.
- c) The Proposition has been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.
- d) There are not expected to be any direct financial implications to the States of carrying the proposal into effect.

- e) No drafting advice has been sought from the States' Greffier or the officers of the States' Trading Supervisory Board.

### Explanatory Note

This proposal aims to ensure that the States Assembly can consider a full impact assessment before coming to a decision on incorporating Guernsey Water, Guernsey Ports and States Works. It does not reflect a lack of support for the concept of commercialisation, but instead aims to ensure the States can make an informed decision at the right time.

It is anticipated that the impact analysis would include, amongst other considerations:

- The likely economic benefits of commercialisation (compared to the current model);
- The impact of commercialisation on the States' finances (general revenue and the finances of the States Trading Group), including the requirement for any recapitalisation/injection of equity;
- The impact on the States Trading Group balance sheet;
- The expected financial benefit (or cost) to the newly incorporated entities;
- Any likely issues which may arise from the newly formed entities being sub scale;
- The impact on the States of Guernsey as an employer, including the impact on pension entitlements;
- The impact upon affordability for customers of the additional costs of commercialisation;
- The likely framework for any regulation and its associated economic impact; and
- Any lessons learnt from the commercialisation of Guernsey Post and Guernsey Electricity.

The States' Trading Supervisory Board's ('STSB') plans recognise the need for this work. The STSB, however is seeking a decision from the States, including setting a timeframe for incorporation, before this work is complete. This is not good governance and risks establishing a direction that will be difficult to change, as well as potentially wasting time and resource on detailed practical and legislative steps which may prove to be unnecessary.

It is not anticipated that delaying the States' decision would significantly delay any eventual incorporation. This sursis intends to shift the States' decision point from today to a time when more work has been completed, rather than requiring additional work which would not have been expected to formed part of the STSB's investigation.