

**REPLY BY THE PRESIDENT OF
THE STATES' TRADING SUPERVISORY BOARD
TO QUESTIONS ASKED PURSUANT TO RULE 14 OF THE
RULES OF PROCEDURE BY DEPUTY LESTER QUERPEL**

Question 1

We often hear it said within the States, that Deputies shouldn't get involved in the 'operational matters' of States departments, i.e. procedures and processes. So with that in mind, are you able to tell me your committees' approach to that issue please?

Answer

The States' Trading Supervisory Board's mandate includes to **"ensure the efficient management, operation and maintenance** of [the] States' unincorporated trading concerns and commercial interests....". To effectively deliver that mandate requires oversight of 'operational matters', and that is reflected in the structures and approach that the Board has established in respect of these operations – namely CI Lottery, Guernsey Dairy, Guernsey Ports, Guernsey Waste, Guernsey Water, and States Works.

With regard to the incorporated trading operations – Aurigny, Guernsey Electricity, Guernsey Post, and JamesCo 250 – these exist as separate companies each with its own independent Board of Directors, who have full fiduciary responsibility. STSB's mandated role for these businesses is **"as shareholder"**, which is achieved by setting objectives for each company that reflect relevant States policies and strategies, and monitoring progress against those objectives and the delivery of their business plans, which are also approved by the STSB. The STSB is not involved in operational matters for these companies.

Question 2

Do members of your committee get involved in the 'operational matters' of your department?

Answer

Yes, in respect of the unincorporated trading operations. The STSB has established a sub-committee for each, tasked with their effective management, operation and maintenance, and ensuring their activities align with the wider States strategy and policy framework.

Two STSB members sit on each sub-committee, one acting as chair, and are the only voting members. Day-to-day operational responsibility remains the role of senior management, but the sub-committees have clear delegated functions, including the preparation of business plans and budgets.

The STSB remains responsible at all times for the actions of its sub-committees.

In respect of the incorporated trading companies, the STSB is an active shareholder, providing oversight through formal and regular meetings with representatives of the respective Boards of

Directors. The focus is on reviewing and approving each company's strategic plans, engaging on financial matters, and holding them to account for the performance against those plans and their shareholder objectives. These meetings also provide an opportunity for the companies to brief the STSB on any significant operational matters.

Question 3

Do you/would you, and your committee object, whenever/if ever, Deputies do/did try to get involved in the 'operational matters' of your committee?

Answer

The STSB has a clear mandated responsibility for the management of the trading operations. While scrutiny by other elected Members of the States is not unwelcome, it should be appreciated that this can divert finite staff resources away from other priorities.

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Date of Reply:	16 December 2024
